WESTFIELD AMERICA TRUST

ANNUAL REPORT 2001

JESSOP'S
macy's
macy's
STORE OF KNOWLEDGE

Westfield America Trust is one of the largest property trusts listed on the Australian Stock Exchange, with a market capitalisation of A$3.4 billion at 31 December 2001.

Westfield America Trust recently announced the Jacobs and Rodamco property transactions which, on completion, will result in Westfield America Trust becoming the second-largest shopping centre owner in the US.

As a result of these transactions, the current portfolio of 39 centres will increase to 61 and house more than 8,000 retailers, covering 5.8 million square metres.

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FINANCIAL SUMMARY

This year's performance produced another strong result for Westfield America Trust unit holders and has laid the foundation for future growth.

Our Goals

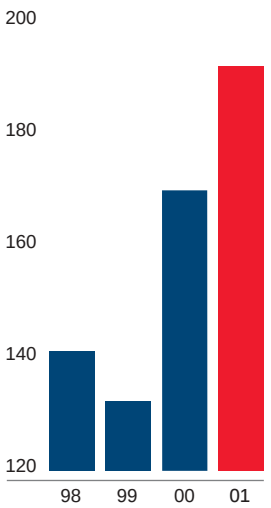
Westfield America Trust's goal is to produce income and capital growth for its investors.

The Trust achieves this through:

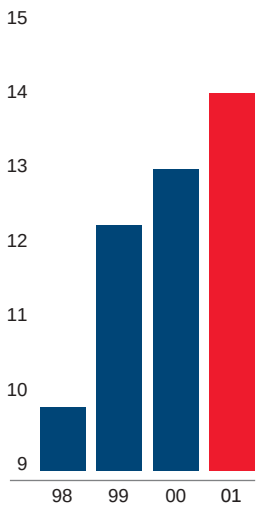
- An investment strategy to acquire and redevelop regional shopping centres that have growth potential and are located in stable, economically strong markets;
- Intensive management to ensure each asset "works hard" to reach its full potential for its investors;
- Branding all of our centres "Westfield Shoppingtown" and establishing consistent management practices, customer services and marketing in the centres to consolidate market penetration and build customer loyalty.

The Trust's success since listing is highlighted by:

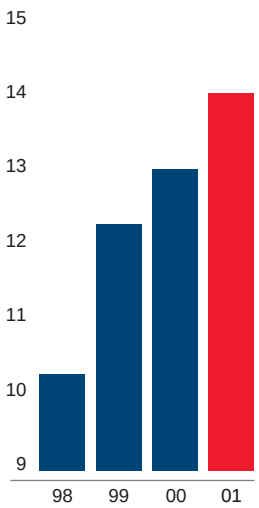
- Compound annual returns to unit holders of 19.4% per annum;
- The portfolio growing from 22 to 39 Shoppingtowns and 61 upon completion of the Jacobs and Rodamco acquisitions;
- Westfield Shoppingtowns being 95% leased, at the top of the range for the US shopping centre industry.



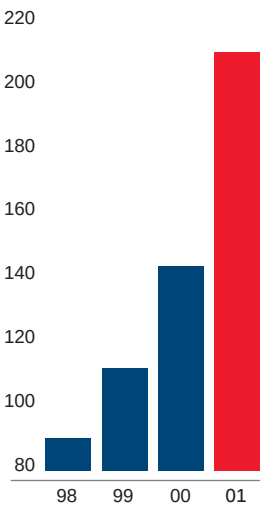
NET TANGIBLE ASSETS
PER UNIT (CENTS)



DISTRIBUTION
PER UNIT (CENTS)



EARNINGS
PER UNIT (CENTS)



OPERATING PROFIT AFTER TAX ($ MILLIONS)

SELECTED FINANCIAL DATA

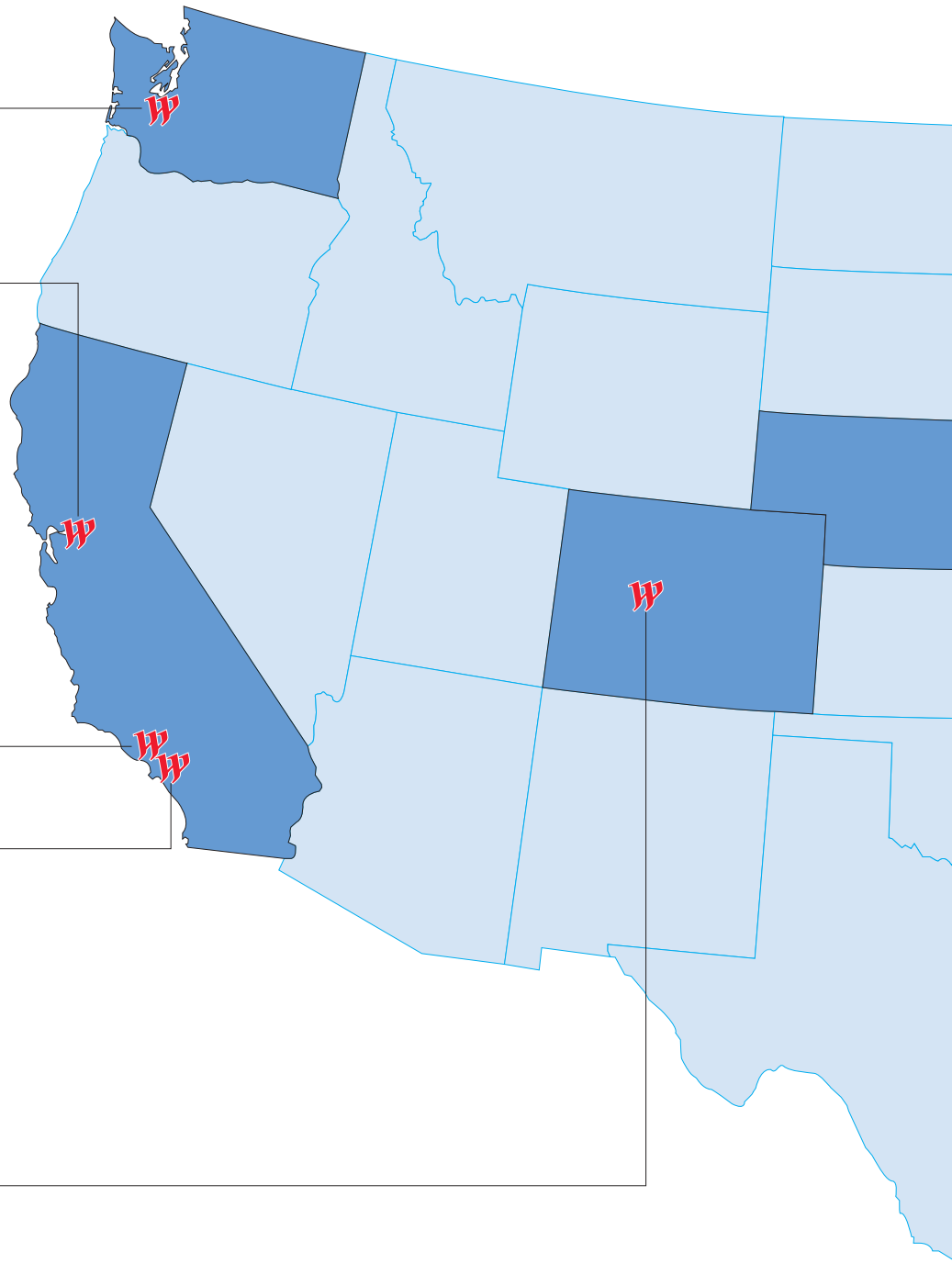
	1999	2000	2001	2000/2001 % Change
Operating profit before tax ($ million)	124.4	152.3	228.4	50.0%
Operating profit after tax ($ million)	115.2	141.8	211.9	49.4%
Distribution per unit (cents)	12.21c	13.01c	14.01c	7.7%

Note: *In this Annual Report, all amounts are expressed in Australian currency unless stated otherwise.*

Westfield
SHOPPINGTOWN
IT'S A WONDERFUL TOWN

OUR AMERICAN PORTFOLIO

The addition of the Rodamco and Jacobs portfolios will increase Westfield's presence in its existing markets of Northern California, Los Angeles and St Louis and open up three new markets in Chicago, Illinois, Cleveland, Ohio and Tampa, Florida, providing an improved geographic spread of assets across the US.



WASHINGTON

- Southcenter
- Capital
- Vancouver

CALIFORNIA

Northern California
- Downtown Plaza
- Galleria at Roseville
- Oakridge
- San Francisco Shopping Center (50%)
- Solano
- Valley Fair (50%)

Los Angeles
- Century City (50%)
- Eagle Rock
- Eastland
- Fox Hills
- Main Place
- Palm Desert
- Promenade
- Santa Anita (90%)
- Topanga
- Valencia Town Center (25%)
- West Covina

San Diego
- Horton Plaza
- Mission Valley (76%)
- Mission Valley West (76%)
- North County
- Parkway
- Plaza Bonita
- Plaza Camino Real (40%)
- UTC (50%)

COLORADO

Denver
- Westland

KEY TO AMERICAN PRESENCE

- Westfield's existing portfolio
- Jacobs centres acquired
  Expected to settle in the 1st Quarter 2002
- Rodamco centres acquired
  Expected to settle in the 2nd Quarter 2002

NEBRASKA

Lincoln
- Gateway

MISSOURI

- Crestwood
- Mid Rivers
- Northwest
- South County
- West County
- Chesterfield
- West Park

ILLINOIS

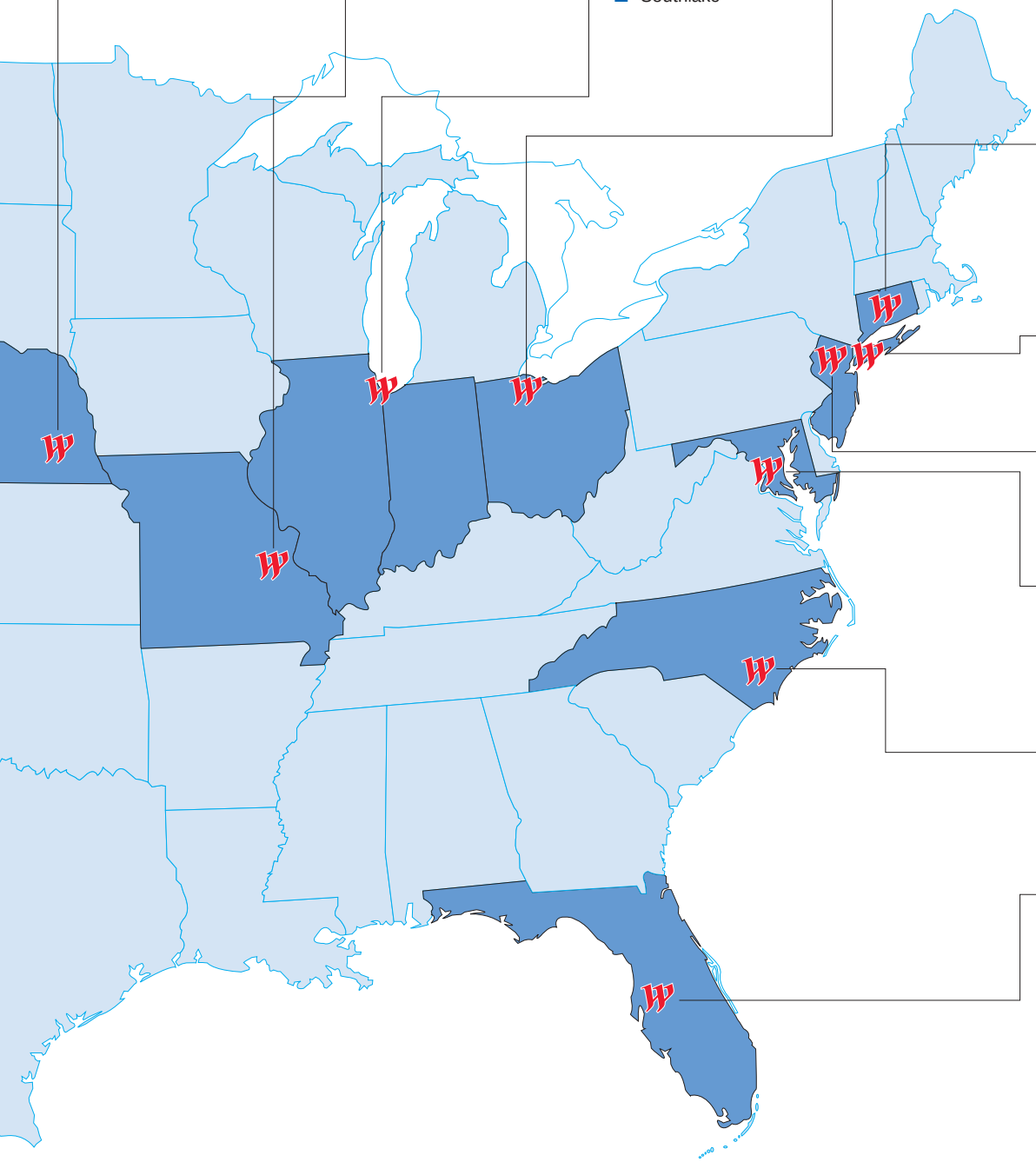
Chicago
- Fox Valley Center
- Hawthorn Center
- Old Orchard Center

INDIANA

Hobart
- Southlake

OHIO

- Belden Village
- Franklin Park Mall
- Great Northern Mall
- Midway
- Richland
- South Park



CONNECTICUT

- Connecticut Post
- Enfield
- Meriden
- Trumbull

NEW YORK

- South Shore

NEW JERSEY

- Garden State Plaza (50%)/(50%)

MARYLAND

- Annapolis
- Montgomery (50%)
- Wheaton

NORTH CAROLINA

- Eastridge
- Independence (85%)

FLORIDA

Tampa
- Brandon Town Center
- Citrus Park Town Center
- Countryside Mall

YEAR IN REVIEW

Demand for space by retailers continues to be solid in existing and redeveloped centres with total portfolio specialty store space 95% leased at year-end as compared to 94% in December 2000.

Westfield America Trust achieved a profit after tax of $211.9 million for the year to 31 December 2001, an increase of 49.4% on last year's results. This represents 14.01 cents per unit, an increase of 7.7% over the same period last year.

The underlying US dollar earnings were converted into Australian dollars at an average exchange rate of US$0.6045 reflecting a combination of predetermined rates under the Trust's hedging program and prevailing market exchange rates on unhedged amounts. The profit is after US withholding tax for which Australian investors receive a tax credit.

One of the most significant events of the year was the acquisition of all the publicly held common shares in Westfield America, Inc. (WEA). The de-listing of WEA has simplified Westfield America's structure and has given the Trust a platform to take advantage of new opportunities in the US market. This has already been demonstrated through the recently announced acquisitions of the Jacobs and Rodamco portfolios.

Demand for space by retailers continues to be solid in existing and redeveloped centres with total portfolio specialty store space 95% leased at year-end as compared to 94% in December 2000.

Highlights of the year

Property transactions

- In July Westfield America acquired a 99-year lease for the retail component of the World Trade Center in New York.

  Westfield America invested US$127 million (US$100 million funded by a limited recourse mortgage and US$27 million by equity) in obtaining the lease on the retail component of the Center. On 11 September 2001 terrorist attacks destroyed the World Trade Center. Management believes that Westfield America's insurance is adequate to protect its initial investment and to reimburse it for business interruption for the foreseeable future.
- In May, Westfield America and JP Morgan Fleming Asset Management, Inc. announced they had formed a joint venture in respect to Westfield Shoppingtown Montgomery in Bethesda, Maryland. This premier mall has a value of approximately US$281 million and JP Morgan acquired a 50% interest in the joint venture, which enabled Westfield America to reduce debt and free up capital to finance future growth.
- In April 2001, following Montgomery Ward's filing for Chapter 11, Westfield America purchased two Montgomery Ward department stores at Westfield Shoppingtowns Plaza Bonita and Topanga in order to facilitate future redevelopments.

Of the remaining five Montgomery Ward stores in the portfolio:

- Target acquired the stores at Westfield Shoppingtowns Eagle Rock, Mission Valley and Wheaton, and;
- Sears acquired two stores, one at Westfield Shoppingtown Annapolis and the other at Westfield Shoppingtown Oakridge for its new retail concept, *The Great Indoors*.

SELECTED OPERATING STATISTICS

	Year Ended 31 Dec 2000	Year Ended 31 Dec 2001
Average mall sales per square foot (mall shops under 10,000 sq ft) [1]	$379	$379
Percentage change in sales per comparable square foot	4.7%	0.0%
Percentage leased	94%[3]	95%[2]
Average base rents	32.83	$35.09
Percentage change (in Average base rent from prior year) [4]	8.2%	6.9%
Average rent		
leases executed	$38.00	$42.32
expiring leases	$31.64	$32.57
increase	20.1%	29.9%

1. Consistent with reporting of US Regional Mall REIT Peers. 2. Excludes West County which is under development.
3. Excludes West County and Promenade which were under development. 4. Excludes space in excess of 20,000 sq ft.

HECHTS

Westfield

Westfield
SHOPPINGTOWN

amc 20-Theatre
stage Restaur

- In December, Westfield America Trust reached an in-principle agreement to acquire nine regional shopping centres from The Richard E. Jacobs Group for approximately US$755 million ($1.45 billion), taking the Westfield America portfolio to 48 centres.

  The Jacobs portfolio consists of 900,000 square metres of gross lettable area located in six states. It has 36 anchor stores and approximately 1,150 specialty stores generating annual retail sales of more than US$1.9 billion with specialty store sales per square foot of approximately US$350 in 2000.

  The acquisition is to be funded by a combination of:
  - cash (approximately US$40 million);
  - the issuance of equity to the Jacobs Group (approximately US$210 million); and
  - the assumption of non-recourse mortgage debt (approximately US$505 million).

The cash consideration will be funded from the equity placement of $275 million made in December 2001.

The agreement is expected to settle in the first quarter of 2002.

Acquisition of publicly held common shares in Westfield America, Inc.

During the year, Westfield America Trust launched and completed a tender offer to acquire all outstanding common shares in Westfield America, Inc. held by the public for a total of US$268 million plus transaction costs.

Capital Raising

During the year, in addition to Distribution Reinvestment proceeds of $135 million, Westfield America Trust raised $980 million of equity capital.

In order to fund the acquisition of minority interests in Westfield America, Inc., Westfield America Trust issued $450 million of ordinary units and $100 million of redeemable converting preference units in the June half year. The equity issue of $450 million included $150 million of oversubscriptions thus making it the largest placement in the history of the listed property market in Australia at that time. In June Westfield America Trust raised $155 million through the conversion of partly-paid units. These funds were raised to subscribe for additional equity in Westfield America, Inc.

As previously mentioned, in December Westfield America Trust raised $275 million to be used in connection with the acquisition of a portfolio of nine shopping centres from the Jacobs Group.

Financings

In July, Westfield America closed a US$800 million loan with UBS Warburg Real Estate Investments Inc. ("UBS") and Lehman Brothers ("Lehman"). The ten-year loan is secured by first mortgages over nine wholly owned Westfield Shoppingtowns: Additionally, UBS and Lehman provided a separate US$120.5 million loan secured by two Westfield Shoppingtowns. Proceeds from these refinancings were used to repay an existing US$754.1 million CMBS facility and to repay a US$150 million unsecured loan, both of which were due to mature in December 2001.

In August, the company closed on a US$92 million loan facility with PNC Bank.

Westfield Shoppingtown Redevelopments - Completed

Independence, North Carolina

In May the US$60 million redevelopment, incorporating a new Dillard's department store, 15,000 square metres of specialty shops, a food court, restaurants and a renovation of the existing centre was completed. The redevelopment opened on time and on budget with mall shops approximately 95% leased.

Parkway, San Diego

The US$15 million redevelopment of the community retail strip centre opened fully leased in March with added big box retailers Best Buy, Borders Books and Office Depot and served to revitalise this area of the property.

SELECTED FINANCIAL DATA

	1999	2000	2001	2000/2001 % Change
Net assets (US$ million)	1,686.3	1,873.2	2,288.2	22.2%
Unit holders' funds (US$ million)	895.5	1,121.2	1,812.0	61.6%
Number of units on issue (million)	1,021.5	1,181.7	1,848.4	
Net asset backing (US$/unit)	0.88	0.95	0.98	3.3%
Net asset backing ($/unit)	1.34	1.71	1.92	12.3%

Valley Fair, Northern California
In March, Stage One of the US$175 million redevelopment was opened fully leased. It featured 80 new specialty stores, a new Nordstrom department store, food court and additional parking.

The second phase of the redevelopment, with 30 new specialty stores, is due for completion in the first half of 2002 and will position Valley Fair as the premier shopping destination in the area with a total of 270 specialty stores, including several leading retail brands such as Louis Vuitton, Tiffany & Co., Williams Sonoma and AX Armani, reflecting the high income trade area and the quality of the redeveloped centre. The mall shops are approximately 96% leased.

Montgomery, Maryland
The May Company acquired the top level of the former JCPenney Store, allowing Hecht's to relocate its Home Store and facilitate the expansion and remodelling of its existing store. At the same time Westfield America acquired the lower level of the JCPenney store, enabling the addition of 5,900 square metres of gross lettable area, including a 2,300 square metre Old Navy, which opened in June 2001, to enhance the Shoppingtown's merchandise mix.

Promenade, Los Angeles
The US$38 million redevelopment has transformed the centre into an entertainment/retail centre, adding five new destination retailers and restaurants. Opening in November 2001, the new entertainment venues, including a Barnes & Noble Superstore, Chick's Sporting Goods, Total Woman Day Spa and Gym, Maggiano's and the Corner Bakery have positioned the centre as a leading lifestyle and entertainment destination in the West San Fernando Valley. Ruth's Chris Steakhouse and Reata Restaurant are scheduled to open in 2002.

Westfield Shoppingtown Redevelopments - Current

East Coast

Enfield, Connecticut
The US$11 million redevelopment plan incorporates a new 11,700 square metre Target store, which opened in October 2001, a new entrance court and revised mall connection to the centre court as well as off-site road improvements. The redevelopment, including a new Filene's Men and Home store, is scheduled to be completed in the second half of 2002.

Mid-West

South County, St Louis
The US$56 million redevelopment will include a comprehensive renovation of the existing centre together with a new Sears Department Store, two levels of new and reconfigured mall shops totalling 16,700 square metres and a new food court. The new mall shops are approximately 75% leased. Phase 1 of the redevelopment opened in November 2001 and construction is on schedule for completion in mid 2002.

West County, St Louis
The US$232 million redevelopment will position the centre as a new super-regional mall of more than 110,000 square metres, including the only Nordstrom in St Louis, flagship Lord & Taylor and Famous-Barr department stores and a renovated JCPenney. The new Flagship Famous-Barr store opened in August 2001. The development is expected to be completed in the second half of 2002.

West Coast

Palm Desert, Los Angeles
The US$32 million redevelopment, including a new Sears, expanded Macy's and Robinsons-May, and a comprehensive renovation, will competitively reposition the centre in its market. The total project is scheduled for completion in the second half of 2002, excluding the addition of Sears, which will commence upon the completion of the Robinson's-May expansion.

WAT US$ INCOME HEDGING AT 20 FEBRUARY 2002

Income Year	Amount Hedged US$ (M)	Rate
Dec-02	215.2	0.5642
Dec-03	244.4	0.5522
Dec-04	217.0	0.5465
Dec-05	180.9	0.5088
Dec-06	117.8	0.4954
	975.3	**0.5375**

Westfield Shoppingtown Redevelopments – New

The US$125 million redevelopment of Westfield Shoppingtown Oakridge will commence in the second quarter, 2002. The project includes the addition of a state-of-the-art multi-screen theatre, a book superstore, destination restaurants and additional specialty shops.

Financial information

At 31 December 2001 Westfield America Trust was the fourth-largest property trust listed on the Australian Stock Exchange with a market capitalisation of $3.4 billion.

Total consolidated assets of the Trust were $10.5 billion at 31 December 2001. Total equity of Westfield America was $4.4 billion and equity attributable to unit holders of the Trust was $3.5 billion up 62% on the previous corresponding period. Fifteen properties were revalued during the period resulting in a revaluation surplus of $343 million.

At 31 December 2001 net asset value per unit was $1.92, an increase of 12.3% over the value at December 2000 of $1.71.

An interim distribution of 6.75 cents was paid on 31 August 2001 and a final distribution of 7.26 cents per unit was paid on 28 February 2002 to holders of units as at the record date of 8 February 2002.

Recent events

On 14 January 2002 the Trust announced a transaction under which Westfield America, through a subsidiary, joined The Simon Property Group and The Rouse Company to acquire all the assets and assume the liabilities of Rodamco North America (RNA). The assets to be acquired by the Trust, representing 14 shopping centres (including the remaining 50% interest in Garden State Plaza), are valued at approximately $4.5 billion and the Trust will assume liabilities of approximately $2.5 billion. The transaction is expected to settle in the second quarter of 2002.

The equity component of the acquisition costs (approximately $2 billion), together with transaction costs and increased working capital, will be funded by total equity raisings of $2.4 billion as follows:

- $1.15 billion from an underwritten institutional placement;
- $200 million from a placement of ordinary WAT units to the leading Dutch pension fund, Stichting Pensioenfonds ABP;
- $900 million from Westfield Holdings Limited via ordinary units in WAT and common stock of WEA; and
- An issue of approximately $150 million of ordinary units in WAT through a retail offering by way of a prospectus which will incorporate a priority offering to WAT unit holders, which is expected to be launched in April 2002.

Outlook

The quality of the Trust's portfolio, continuing demand for space, completion of redevelopments and the impact of the property transactions announced, positions the Trust well for future growth and increased returns to unit holders.

NEW ACQUISITIONS

Two major acquisitions have been recently announced which, on completion, will result in Westfield America Trust becoming the second-largest shopping centre owner in the US and the second-largest listed property trust in Australia with a market capitalisation expected to be approximately $6 billion.

In December and January Westfield announced two major transactions that are "company-transforming" events for Westfield America Trust, increasing the geographic spread of assets across the US and making Westfield America the second largest shopping centre owner in that country.

In December 2001 Westfield America Trust announced the purchase of nine shopping centres in the US from the Richard E. Jacobs Group with a total value of $1.45 billion and in January 2002 the Trust announced that two of America's leading shopping centre groups – the Simon Property Group and The Rouse Company – had joined with Westfield America Trust to buy the assets of Rodamco North America (RNA). The total value of RNA's assets is $10.5 billion, of which Westfield America Trust's share is $4.5 billion.

Westfield America will acquire 14 of the RNA properties, including the remaining 50% of Garden State Plaza (that it did not already own). Together with the nine Jacobs centres, this will bring 22 new centres into the portfolio.

The Jacobs portfolio consists of 900,000 square metres of gross lettable area located in six states. It has 36 anchor stores and approximately 1,150 specialty stores generating annual retail sales of more than US$1.9 billion.

The addition of the RNA centres will increase Westfield's presence in its existing markets of northern California, Los Angeles and St Louis and open up three new markets in Chicago, Illinois, Cleveland, Ohio and Tampa, Florida providing an improved geographic spread of assets across the US.

The RNA centres are high quality shopping centres in good locations and in the case of the Century City centre in Los Angeles and the San Francisco centre in downtown San Francisco are, like Garden State Plaza in New Jersey, among the best in the country.

The centres to be acquired have sales per square foot of US$420, an occupancy level of 92% and will add a further 1.4 million square metres of retail space to the Westfield portfolio, taking the total retail space to 5.8 million square metres.

The two transactions are highly accretive to distributions to unit holders:

- As a result of the Jacobs transaction, Westfield America Trust increased its forecast distribution growth per unit for 2002 from 4% to 5% over the 2001 result;
- The RNA transaction will provide a further one-time increase in distribution growth per unit of about 7% on an annualised basis.

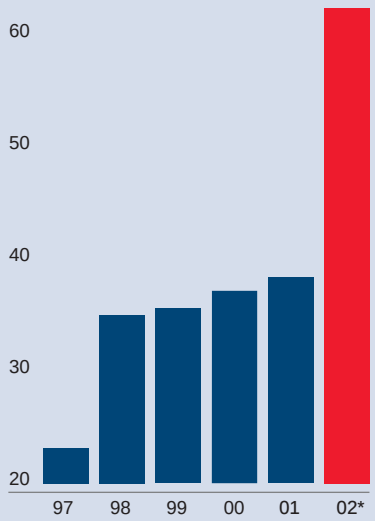
The Jacobs and Rodamco portfolios are being acquired on attractive financial terms and will considerably strengthen the Trust's position in the US mall industry:

- Upon completion of these transactions, Westfield America will be the second-largest mall owner in the US. Previously it was the fourth-largest.
- Previously Westfield America had 39 centres, it will now have 61.
- Previously there were six 'clusters' of Westfield centres – there will now be 11, allowing for greater branding and leasing opportunities.
- It will increase Westfield America's exposure in the Top 25 US markets from 43 centres to 55.
- It will provide greater geographic diversification. Previously the portfolio was heavily weighted towards the West Coast. Now it will be spread more evenly between the East Coast, Mid-West and West Coast.
- There is expected to be considerable upside flowing from Westfield's intensive management style, including:
  - An increase in kiosk and casual mall leasing
  - Operating and marketing efficiencies
  - Greater Westfield branding;

- Increased common area maintenance recoveries; and
- There will also be the opportunity to add value through accretive redevelopments. At this early stage projects valued at $2.8 billion have been identified and these are expected to take place over the next 10 years.

The Jacobs and RNA transactions will also considerably strengthen the Trust's position in Australia.

- Westfield America Trust's market capitalisation before RNA (and Jacobs) was $3.0 billion. This will increase to approximately $6.0 billion upon completion of the Jacobs and RNA equity raisings mentioned above.
- Westfield America Trust was the fourth-largest listed property trust in terms of market capitalisation; after completion it will be number two (behind Westfield Trust).



TOTAL PORTFOLIO GLA (Million SQ FT)
*PORTFOLIO INCLUDES JACOBS & RNA

WFA (AT 31 DEC 2001)

- East 30%
- Mid-West 16%
- West 54%

WFA (INCLUDING JACOBS & RNA)

- East 25%
- Mid-West 33%
- West 42%

Note: Weighted by total gross lettable area. Includes 100% of joint venture properties.

PROPERTY PORTFOLIO as at 31 December 2001

		WEA EQUITY	BOOK VALUE AS AT 31/12/01 A$ MILLION	BOOK VALUE AS AT 31/12/01 US$ MILLION	TOTAL LEASABLE AREA M2 (000)	SPECIALTY LEASABLE AREA M2 (000)
WEST COAST	**SAN DIEGO**					
	Horton Plaza	100%	434.2	221.7	80.4	46.9
	Mission Valley	76%			127.5	53.8
	Mission Valley West	76%	364.0	185.9	19.8	19.8
	North County	100%	293.6	149.9	115.6	33.8
	Parkway	100%	377.0	192.5	106.2	49.9
	Plaza Bonita	100%	275.7	140.8	76.9	29.6
	Plaza Camino Real	40%	114.3	58.4	104.6	37.9
	UTC	50%	194.0	99.1	96.3	41.1
	LOS ANGELES					
	Eagle Rock	100%	64.6	33.0	42.8	14.0
	Eastland	100%	133.6	68.2	74.0	55.3
	Fox Hills	100%	217.4	111.0	82.8	29.9
	Palm Desert	100%	162.8	83.1	81.0	35.1
	Promenade	100%	126.9	64.8	57.0	31.9
	Santa Anita	90%	331.0	169.0	102.0	36.6
	Topanga	100%	350.0	178.7	97.5	34.5
	West Covina	100%	326.6	166.8	109.4	49.2
	NORTHERN CALIFORNIA					
	Downtown Plaza	100%	304.5	155.5	110.4	37.8
	Oakridge	100%	189.9	97.0	74.2	30.7
	Solano	100%	227.8	116.3	96.0	44.0
	Valley Fair	50%	508.3	259.5	127.0	57.5
	WASHINGTON					
	Capital	100%	117.7	60.1	55.8	22.0
	Vancouver	100%	171.0	87.3	82.0	31.7
	COLORADO					
	Westland	100%	51.8	26.4	43.8	12.8
MID-WEST	**ST LOUIS**					
	Crestwood	100%	254.8	130.1	95.9	39.9
	Mid Rivers	100%	257.0	131.2	98.5	41.7
	Northwest	100%	271.1	138.4	167.2	63.5
	South County	100%	217.4	111.0	82.3	20.9
	West County **	100%	94.2	48.1	24.5	0
	West Park	100%	103.4	52.8	46.6	21.3
EAST COAST	**CONNECTICUT**					
	Connecticut Post	100%	358.3	182.9	94.3	39.7
	Enfield	100%	142.7	72.8	78.3	27.4
	Meriden	100%	314.1	160.4	84.3	33.9
	Trumbull	100%	423.0	216.0	110.9	46.2
	MARYLAND					
	Annapolis	100%	516.2	263.6	112.1	47.8
	Montgomery	50%	268.6	137.1	115.1	48.9
	Wheaton	100%	242.1	123.6	119.4	43.3
	NORTH CAROLINA					
	Independence	85%	252.6	129.0	93.3	34.4
	NEW JERSEY					
	Garden State Plaza	50%	657.4	335.7	184.6	79.4
	NEW YORK					
	South Shore	100%	355.8	181.7	108.3	28.6
	TOTAL PORTFOLIO		**10,065.4**	**5,139.4**	**3,578.7**	**1,452.6**

** Currently under re-development

NUMBER OF SPECIALTY RETAILERS	PRIMARY TRADE AREA POPULATION (000)	AVERAGE HOUSEHOLD INCOME US$	MAJOR RETAILERS AND SPECIAL FEATURES	
137	1,297	57,000	Macy's, Mervyn's, Nordstrom	WEST COAST
94	1,141	59,100	Robinson's-May Macy's Home & Furniture, Bed Bath & Beyond, Nordstrom Rack, AMC 20-screen theatre, Seau's Sports Bar, Loehmann's, Michaels	
16	1,141	59,100	Golfsmith, Gateway Computers, Old Navy, Borders	
182	855	73,400	Nordstrom, Robinson's-May (2), JCPenney, Macy's, Sears	
193	490	63,700	Robinson's-May, Sears, JCPenney, Mervyn's	
140	746	58,800	Robinson's-May, JCPenney, Mervyn's	
154	530	66,600	Macy's (2), Sears, Robinson's-May, JCPenney	
149	682	80,100	Nordstrom, Macy's, Robinson's-May, Sears	
70	540	59,600	Robinson's-May	
34	523	66,200	Power Centre: Target, SportsMart, Old Navy, Baby's 'R' Us, Burlington Coat	
146	922	55,400	Macy's, Robinson's-May, JCPenney	
147	366	53,800	Macy's (2), Robinson's-May (2), JCPenney	
57	859	84,600	Macy's (2), AMC 16-screen theatre	
161	745	64,700	Nordstrom, Macy's, Robinson's-May, JCPenney	
132	859	84,600	Nordstrom, Robinson's-May, Sears	
209	843	67,300	Macy's, Robinson's-May, Sears, JCPenney	
119	804	57,800	Macy's (2)	
110	464	112,600	Macy's, Sears	
155	347	65,400	Macy's, Sears, JCPenney, Mervyn's, Best Buy	
232	1,337	104,900	Nordstrom, Macy's (2)	
101	208	52,100	JCPenney, Mervyn's, Bon Marché	
140	345	60,400	Meier & Frank, Nordstrom, Sears, JCPenney, Mervyn's	
15	850*	60,900*	Sears, Super Kmart *(10 mile radius)	
158	616	57,600	Famous-Barr, Dillard's, Sears, 10-screen cinema	MID-WEST
158	352	60,800	Famous-Barr, Dillard's, Sears, JCPenney, 14-screen cinema	
173	506	52,700	Famous-Barr, Dillard's, Sears, JCPenney	
88	533	53,100	Famous-Barr, Dillard's, Sears, JCPenney	
-	753	78,000	Famous-Barr	
84	239	37,600	Famous-Barr, JCPenney	
148	429	69,100	Filene's, JCPenney, Sears	EAST COAST
78	294	66,300	Filene's, Sears, Target	
151	424	69,300	Filene's, Lord & Taylor, Sears, JCPenney	
163	567	97,500	Macy's, Filene's, Lord & Taylor, JCPenney	
176	526	75,900	Nordstrom, Hecht's, Lord & Taylor, JCPenney	
183	629	101,100	Nordstrom, Hecht's, Sears, Hecht's Home Store	
143	461	78,800	Hecht's, JCPenney	
149	292	49,000	Belk, Sears, JCPenney, Dillard's	
269	1,561	86,700	Macy's, Lord & Taylor, JCPenney, Nordstrom, Neiman Marcus	
127	503	73,800	Macy's, Lord & Taylor, Sears, JCPenney	
5,141				

BOARD OF DIRECTORS

Frank P Lowy, AC
Chairman

Frederick G Hilmer, AO
Deputy Chairman

David H Lowy
Deputy Chairman

Robert A Ferguson

David M Gonski

Stephen P Johns

Peter S Lowy

Steven M Lowy

Dean R Wills, AO

Carla M Zampatti, AM

Frank P Lowy *AC*
Chairman
Frank Lowy is Executive Chairman and co-founder of Westfield. He is a Member of the Board of the Reserve Bank of Australia and a Director of Daily Mail and General Trust plc (UK).

Frederick G Hilmer *AO*
Deputy Chairman
Appointed as a Non-Executive Director in 1991 and Non-Executive Deputy Chairman in 1997, Frederick Hilmer holds degrees in Law from the Universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance at the University of Pennsylvania. He is Chief Executive Officer of John Fairfax Holdings Ltd. Prior to joining Fairfax, he was Dean and Professor of Management at the Australian Graduate School of Management at the University of NSW and has served on the Boards of a number of leading companies. He is Chairman of the Audit and Compliance Committee.

David H Lowy
Deputy Chairman
Appointed Non-Executive Deputy Chairman in June 2000, David Lowy holds a Bachelor of Commerce degree from the University of NSW. He joined Westfield in 1977 and spent a number of years working for the Group in the US. David Lowy was appointed Executive Director in 1982 and then Managing Director in 1987, a position he held until June 2000. David Lowy is a Principal of LFG Holdings. He is a Member of the President's Council of the Children's Hospital at Westmead and is Founder and President of Temora Aviation Museum.

Robert A Ferguson
Appointed as a Non-Executive Director in 1994, Robert Ferguson holds an Honours degree in Economics from the University of Sydney and is an Associate of the Securities Institute of Australia. He is Chairman of Vodafone Pacific Ltd and Nextgen Networks Pty Ltd and a Director of BT Financial Group Pty Ltd.

David M Gonski
Appointed as a Non-Executive Director in 1985, David Gonski holds degrees in Law and Commerce. He is Chairman of Investec Australia Ltd and Coca-Cola Amatil Ltd and a Director of John Fairfax Holdings Ltd and Australia and New Zealand Banking Group Ltd. He is President of the Art Gallery of New South Wales Trust and Chairman of the National Institute of Dramatic Art. He is a Member of the Audit and Compliance Committee.

Stephen P Johns
Group Finance Director
Appointed as an Executive Director in 1985, Stephen Johns holds a Bachelor of Economics degree from the University of Sydney and is an Associate of the Institute of Chartered Accountants in Australia. He joined Westfield in 1970 and became Finance Director of Westfield in 1985 and Group Finance Director in 1997. Stephen Johns is also a Member of the Council of Governors of Ascham School and a Director of Ascham Foundation Limited.

Peter S Lowy
Managing Director
Appointed as an Executive Director in 1987. Peter Lowy holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, he worked in investment banking in the US and UK. He has resided in the US since 1990 and was appointed Managing Director in 1997. He is a Member of the Board of Directors for the Association of Foreign Investment and Real Estate and serves on the Board of Governors for the National Association of Real Estate Investment Trusts.

Steven M Lowy
Managing Director
Appointed as an Executive Director in 1989, Steven Lowy holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, he worked in investment banking in the US. In 1997, he was appointed Managing Director. He is a Director of the Victor Chang Cardiac Research Institute.

Dean R Wills *AO*
Appointed as a Non-Executive Director in 1994, Dean Wills is Chairman of Transfield Services Ltd, Deputy Chairman of the Australian Grand Prix Corporation and a Director of John Fairfax Holdings Ltd and Australia Business Arts Foundation.

Carla M Zampatti *AM*
Appointed as a Non-Executive Director in 1997, Carla Zampatti is Executive Chairman of the Carla Zampatti Group. She is Chairman of the Special Broadcasting Service (SBS), a Director of McDonald's Australia Limited, Australian Graduate School of Management and a Trustee of the Sydney Theatre Company Foundation Trust.

CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE

for the year ended 31 December 2001

	Note 1(n)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
REVENUE FROM ORDINARY ACTIVITIES					
Shopping Centre Rental and Other Income		550.1	528.5	1,017.5	872.9
Department Store Lease Rental		7.9	7.9	15.2	13.0
Interest Income		4.5	10.0	8.8	16.6
Other Income		–	0.2	–	0.3
Currency Translation Gains		–	–	–	0.1
Revenues from Trading Activities		562.5	546.6	1,041.5	902.9
Revenue from Asset Sale	6(c)	140.5	–	232.2	–
Revenues from Ordinary Activities		703.0	546.6	1,273.7	902.9
EXPENSES FROM ORDINARY ACTIVITIES					
Rates, Taxes and Other Property Outgoings	22	179.5	182.4	346.6	301.1
Legal Fees		0.0	0.1	0.0	0.1
Auditors' Remuneration	24	1.0	0.8	1.8	1.4
Trustee/Custodian Fees		0.0	0.0	0.0	0.0
Advisor's Service Fee	33(vii)(d)	12.3	11.3	23.8	18.6
Other Expenses		2.1	1.2	4.4	2.0
Expenses from Trading Activities		194.9	195.8	376.6	323.2
Cost of Asset Sold		140.4	–	232.0	–
Expenses from Ordinary Activities		335.3	195.8	608.6	323.2
BORROWING COSTS EXPENSE					
Interest and Other Borrowing Costs		178.4	159.4	344.4	263.2
Department Store Debt Interest Expense		4.6	4.8	8.9	8.0
Coupon on Capital Notes		20.1	24.1	38.7	41.5
Coupon on Convertible Redeemable Preference Shares		15.2	14.9	29.3	25.6
Coupon on Redeemable Converting Preference Units		3.3	–	6.3	–
Borrowing Costs Expense	23	221.6	203.2	427.6	338.3
Share of Equity Accounted Joint Ventures' Net Profits	21(b)	44.7	27.6	86.3	45.5
Earnings from Ordinary Activities before Withholding Tax		190.8	175.2	323.8	286.9
Less – United States Withholding Tax thereon relating to Ordinary Activities		11.2	7.7	18.9	12.2
Earnings from Ordinary Activities after Withholding Tax but before Outside Equity Interests	36(b)	179.6	167.5	304.9	274.7
Less – Earnings After Withholding Tax Attributable to Outside Equity Interests		51.5	77.2	93.0	132.9
Earnings from Ordinary Activities after Withholding Tax and Outside Equity Interests		128.1	90.3	211.9	141.8

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE CONTINUED

for the year ended 31 December 2001

	Note 1(n)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Increase (decrease) in Asset Revaluation Reserve	17	167.2	54.6	329.4	91.0
Increase (decrease) in Asset Reallocation Reserve	17	–	27.9	–	36.3
Increase (decrease) in Option Premium Reserve	17	0.1	4.7	0.2	8.1
Net Exchange Difference on Translation of Financial Report of Self-Sustaining Foreign Operations	17	3.0	–	203.2	277.0
Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity		170.3	87.2	532.8	412.4
Total Changes in Equity other than those resulting from Transactions with Owners as Owners	20	298.4	177.5	744.7	554.2

	Note 1(n)	31 Dec 2001 A cents	31 Dec 2000 A cents
BASIC EARNINGS PER UNIT (CENTS)	25		
Earnings from Ordinary Activities before Withholding Tax		15.10	13.97
Less – United States Withholding Tax thereon		1.09	0.96
Earnings from Ordinary Activities after Withholding Tax and Outside Equity Interests Attributable to Members of Westfield America Trust		14.01	13.01

Refer Note 25 for Diluted Earnings Per Unit

		31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
STATEMENT OF DISTRIBUTION			
DISTRIBUTION PAYABLE TO MEMBERS OF WESTFIELD AMERICA TRUST			
Distribution paid/payable	18, 20	212.4	141.8
Distribution per Unit (cents)	25	14.01	13.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2001

	Note 1(n)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
CURRENT ASSETS					
Cash Assets		53.8	44.7	83.3	70.6
Receivables	3	20.0	25.6	39.1	46.0
Other	4	25.3	19.6	49.6	34.8
Total Current Assets		99.1	89.9	172.0	151.4
NON-CURRENT ASSETS					
Property Investments	5, 6	4,675.3	4,341.7	9,156.4	7,825.7
Investment in equity accounted joint ventures	21(d)	525.5	416.0	1,029.1	749.8
Other	7	55.9	64.2	109.6	115.8
Total Non-Current Assets		5,256.7	4,821.9	10,295.1	8,691.3
Total Assets		5,355.8	4,911.8	10,467.1	8,842.7
CURRENT LIABILITIES					
Payables	8	189.6	131.7	349.3	227.0
Interest-bearing liabilities					
Borrowings	9	223.5	946.4	437.7	1,705.8
Capital Notes	10	100.4	100.4	196.6	180.9
Total Current Liabilities		513.5	1,178.5	983.6	2,113.7
NON-CURRENT LIABILITIES					
Payables	11	50.1	64.2	98.3	115.7
Interest-bearing liabilities					
Borrowings	12	2,177.5	1,420.2	4,264.6	2,559.8
Capital Notes	13	100.4	200.7	196.6	361.8
Convertible Redeemable Preference Shares	14	175.0	175.0	342.7	315.4
Redeemable Converting Preference Units	15	51.1	–	100.0	–
Total Non-Current Liabilities		2,554.1	1,860.1	5,002.2	3,352.7
Total Liabilities		3,067.6	3,038.6	5,985.8	5,466.4
Net Assets		2,288.2	1,873.2	4,481.3	3,376.3
EQUITY INTERESTS					
Parent Entity Interest					
Issued Capital	16	1,497.4	976.6	2,340.2	1,344.5
Reserves	17	251.7	110.7	1,101.0	623.4
Retained Earnings	18	62.9	33.9	107.6	52.9
Equity attributable to Members of Westfield America Trust		1,812.0	1,121.2	3,548.8	2,020.8
Outside Equity Interests					
Issued Capital		303.0	572.8	399.7	779.7
Reserves		86.9	104.6	395.8	461.2
Retained Earnings		86.3	74.6	137.0	114.6
Total Outside Equity Interests	19	476.2	752.0	932.5	1,355.5
Total Equity Interests	20	2,288.2	1,873.2	4,481.3	3,376.3

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2001

	Note 1(n)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations		557.2	528.0	1,031.4	871.6
Payments in the course of operations		(183.1)	(187.6)	(353.6)	(309.7)
Interest received		4.5	11.0	8.8	18.1
Distributions received from equity accounted joint ventures		44.7	27.2	86.4	45.0
Cash In/(Out) Flows from Operating Activities	36(b)	423.3	378.6	773.0	625.0
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property investments and construction in progress		(433.5)	(199.1)	(835.4)	(347.1)
Proceeds from sale of investments		62.1	–	121.5	–
Net cash flows from financing of investments in equity accounted joint ventures		(16.0)	(8.2)	(30.9)	(15.1)
Cash In/(Out) Flows from Investing Activities		(387.4)	(207.3)	(744.8)	(362.2)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of capital (net of costs)		522.5	143.1	999.0	246.1
Acquisition of minority interests		(283.2)	(143.4)	(539.4)	(248.0)
Borrowings – proceeds		122.1	204.9	231.7	357.6
Interest and other borrowing costs paid		(231.9)	(220.4)	(447.9)	(365.1)
Distributions paid		(103.2)	(82.1)	(167.0)	(127.3)
Dividends and distributions paid by controlled entities to Outside Equity Interests		(42.5)	(61.6)	(73.3)	(105.2)
United States Withholding Tax paid		(10.6)	(14.0)	(18.6)	(22.6)
Cash In/(Out) Flows from Financing Activities		(26.8)	(173.5)	(15.5)	(264.5)
Net Cash In/(Out) Flows for the Year		9.1	(2.2)	12.7	(1.7)
Cash Assets at Beginning of the Year		44.7	46.9	70.6	72.2
Exchange gains/(losses) on cash assets brought forward at the beginning of the year		–	–	–	0.1
Cash Assets at End of the Year	36(a)	53.8	44.7	83.3	70.6

NOTE 1
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth), applicable Australian Accounting Standards and other mandatory professional reporting requirements. The Financial Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except where, in accordance with the requirements of the Constitution, the Economic Entity's property investments are revalued at intervals of not more than three years. Such valuations are reflected in the Financial Report of the Economic Entity. At each reporting period, the carrying value of this class of assets is assessed to ensure its carrying value does not materially differ from fair value. Where the carrying value differs materially from the fair value, an adjustment is made as appropriate. In determining fair value, the capitalisation of net income method is used.

The accounting policies adopted are in all material respects consistent with those applied in the previous year except as otherwise stated.

(b) Principles of Consolidation

The Consolidated Financial Statements include the results, assets and liabilities of the Parent Entity, Westfield America Trust ("WAT"), its controlled entities and partially owned property partnerships as noted below.

WAT and its controlled entities are collectively referred to as the "Group". The Group and its equity accounted property interests are collectively referred to as the "Economic Entity".

The Group has significant co-ownership interests in a number of properties. These interests are held through partial ownership in property partnerships. In accordance with AASB 1006 "Interests in Joint Ventures", the Group has consolidated partially owned property partnerships which it controls and has applied the equity method of accounting to partially owned property partnerships that are joint ventures over which it has significant influence.

Where entities adopt accounting policies which differ from those of the Parent Entity, adjustments have been made so as to ensure consistency with the Parent Entity, and compliance with applicable Australian Accounting Standards and the provisions of the Constitution of the Parent Entity. All intercompany balances and transactions, and unrealised profits arising from intra-Economic Entity transactions, have been eliminated in full.

Incremental interests acquired in controlled entities are reflected in these Financial Statements at their fair values. Adjustments have been made to the relevant equity interests to reflect any differences between the purchase price and the fair value. Adjustments have also been made to each class of equity interests to reflect the appropriate proportionate ownership interests.

The names of the controlled entities and the equity accounted property partnerships, and the Economic Entity's beneficial interests therein are set out in Notes 21 & 35.

(c) Foreign Currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the Economic Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the year.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the Earnings Before Withholding Tax and Outside Equity Interests for the financial year. Transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the effective hedge contract.

Hedges of foreign operations

Exchange gains and losses on borrowings and instruments which hedge the net investments in foreign operations are taken to the foreign currency translation reserve on consolidation.

Translation of accounts of foreign operations

All overseas operations are deemed self-sustaining as each is financially and operationally independent of WAT. The Financial Reports of overseas operations are translated to Australian dollars using the current rate method, except for hedged assets and liabilities which are translated at the applicable currency hedge contract rates. Any exchange differences are taken directly to the foreign currency translation reserve.

Applicable exchange rates

Where relevant, assets and liabilities of the Economic Entity's United States operations have been translated into Australian Dollars at the year end exchange rate applicable for the year: December 2001 A$1.00 = US$0.5106 and December 2000 A$1.00 = US$0.5548. Earnings from Ordinary Activities after tax, attributable to Members reflects the US Dollar hedge rates applicable for the year, 2001: A$1.00 = US$0.6045 and 2000: A$1.00 = US$0.6369.

(d) Revenue from Ordinary Activities

Revenue from rents and other property income (net of bad and doubtful debts) is brought to account on an accruals basis, and if not received at balance date, is reflected in the Statement of Financial Position as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued. Profits from the sale of property investments are recognised upon settlement and after contractual duties are completed.

(e) Expenses from Ordinary Activities

Expenses from Ordinary Activities including rates, taxes and other outgoings, are brought to account on an accruals basis.

(f) Income Tax Expense Relating to Ordinary Activities

Under current Australian Income Tax legislation, WAT is not liable to income tax including capital gains tax, provided it distributes an amount at least equal to its net accounting income (as defined in the Constitution) for the year.

Westfield America, Inc. ("WEA"), is a Real Estate Investment Trust ("REIT") for United States Income Tax purposes. To maintain its REIT status, WEA is required to distribute at least 90% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders.

Under current Australian Income Tax legislation, Members in WAT are generally entitled to receive a foreign tax credit for US withholding tax deducted from dividends paid to WAT by WEA. Withholding tax expense has been calculated after adjusting for the effect of timing differences which occur when items are assessed or deducted for tax purposes in a different period than for accounting.

(g) Investments

Property Investments

Land and buildings are considered as having the function of an investment property and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to the effluxion of time. Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Property investments are carried at fair value. Property investments are revalued independently at intervals of not more than three years. In determining the fair value, the independent valuers use both the capitalisation of net income and the discounting of future net cash flows methods. Market determined risk-adjusted rates are used in these calculations. Such valuations are reflected in the Financial Statements.

At each reporting period, the carrying value of this class of assets is assessed to ensure its carrying value does not materially differ from fair value. Where the carrying value differs materially from fair value, an adjustment is made as appropriate. In determining fair value, the capitalisation of net income method is used.

Equity Accounted Joint Ventures

Investments in equity accounted joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

(h) Replacements and Maintenance

The Economic Entity's major source of income is from its investment in shopping centre properties. Whilst no provision for maintenance is made in respect of these properties, in order to maintain these assets to provide the existing economic return, regular revaluations are made which take into account the need for future repairs, replacements and maintenance of a substantial but infrequent nature which are capitalised when incurred.

Expenditures for repairs and maintenance that are not of a substantial or infrequent nature are expensed as incurred. Certain of these costs are chargeable to the tenants as provided in their leases and such reimbursements are included in operating revenue.

(i) Properties Subject to Development

Expenses capitalised to properties subject to development include the cost of acquisition, development, rates, taxes and borrowing costs during development. After development is completed, borrowing costs and other holding charges are expensed as incurred.

(j) Cash Flows

For the purposes of the Consolidated Statement of Cash Flows, cash assets include cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(k) Financial Information Expressed in United States Dollars

In addition to all amounts reported in Australian Dollars ("A$" or "$"), where appropriate, United States Dollar amounts or equivalent amounts ("US$") have also been provided in respect of certain assets, liabilities, revenue and expenditure.

The amounts reported in US$ have been taken directly from the US$ denominated Financial Statements of the relevant controlled or equity accounted entities, or, where a currency other than the US$ is the functional currency, have been translated into US$ at the exchange rate ruling at the date of the transaction and at the hedge rate in respect of specifically hedged items.

(l) Derivatives and Other Financial Instruments

The Economic Entity's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of Westfield America Management Limited as the Responsible Entity of WAT ("Responsible Entity") in respect of the usage of derivative and other financial instruments to hedge cash flows subject to interest rate and currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

(i) Financial Liabilities

Interest bearing liabilities: Borrowings, Capital Notes, Notes Payable, Convertible Redeemable Preference Shares and Redeemable Converting Preference Units

Bank loans, capital notes, notes payable, convertible redeemable preference shares and redeemable converting preference units are carried at their face value or at their fair value at the time of acquisition in the case of assumed liabilities. Interest is charged as an expense on an accruals basis. Terms and conditions are set out in Notes 9, 10, 12, 13, 14 and 15.

Given their economic characteristics, Westfield America Management Limited considers the Convertible Redeemable Preference Shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 – "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

Unrecognised Derivative Financial Instruments

Interest Rate Swaps

The Economic Entity enters into interest rate swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the Statement of Financial Performance on an accruals basis over the life of the hedges. Details are set out in Note 31.

Cross Currency Swaps and Forward Exchange Contracts

The Economic Entity enters into cross currency swaps and forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of a portion of its foreign currency denominated liabilities and future earnings. The values of the cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedges relate. Details are set out in Note 31.

The Economic Entity does not trade in derivative financial instruments for speculative purposes. In conjunction with its advisers, the Economic Entity continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Disclosure of Market Values

The applicable market rates and prices in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(m) Borrowing Costs Expense

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(i) and 1(l). Borrowing costs include:

(i) interest on bank overdrafts and short-term and long-term borrowings;

(ii) interest on derivative financial instruments which hedge underlying borrowings;

(iii) amortisation of discounts or premiums relating to borrowings; and

(iv) amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(n) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

(o) Comparative Figures

Except as noted, certain comparative figures have been restated in order to comply with the current year's presentation of the Financial Report.

NOTE 2
TENDER OFFER AND MERGER

During the year, the Trust made and completed a tender offer to acquire a 15.4% economic interest in WEA comprising 16.5 million common shares held by the Public (excluding shares held by the Westfield Holdings Group) thereby increasing its economic interest to 73.6%.

In order to fund this acquisition, during the financial year WAT issued 310,500,000 Ordinary Units raising $450 million and 1,000,000 Redeemable Converting Preference Units raising an additional $100 million. These capital raisings were approved by Members at a meeting held on 27 March 2001.

Related party transactions in connection with the offer are detailed in Note 33.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 3 RECEIVABLES				
Trade debtors	21.0	27.0	41.1	48.5
Less: Provision for doubtful debts (refer below)	(1.0)	(1.4)	(2.0)	(2.5)
	20.0	25.6	39.1	46.0
Movement in provision for doubtful debts				
Balance at beginning of the year	(1.4)	(0.2)	(2.5)	(0.4)
Bad debts previously provided for/written-off during the year	1.9	1.6	3.6	3.0
Bad and doubtful debts expensed/provided for during the year	(1.5)	(2.8)	(3.1)	(5.1)
Balance at end of the year	(1.0)	(1.4)	(2.0)	(2.5)
NOTE 4 OTHER CURRENT ASSETS				
Prepayments, deferred costs and other debtors	25.3	19.6	49.6	34.8
	25.3	19.6	49.6	34.8
NOTE 5 PROPERTY INVESTMENTS				
Shopping centre, department stores and other property investments at fair value, based on independent valuations and acquisition costs, as appropriate (refer Notes 6(a) and 6(b))	4,458.3	4,232.9	8,731.5	7,629.6
Construction in progress	217.0	108.8	424.9	196.1
	4,675.3	4,341.7	9,156.4	7,825.7
Movement in property investments				
Balance at beginning of the year	4,341.7		7,825.7	
Additions	448.7		881.2	
Disposals	(135.2)		(266.5)	
Exchange differences on retranslation	–		678.4	
Equity accounting applied to properties previously consolidated	(135.2)		(266.5)	
Net revaluation increment	155.3		304.1	
Balance at end of the year	4,675.3		9,156.4	

NOTE 6(a)
DETAILS OF INVESTMENTS
(expressed in US$ Million)

Freehold Property	Consolidated or Equity Accounted Interest %	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost US$ Million	Capital Expenditure Since Acquisition US$ Million	Independent Valuation US$ Million	Capital Expenditure Since Valuation US$ Million	Book Value 31 Dec 2001 US$ Million
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	187.3	35.0	262.0 (iv)	1.6	263.6
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	54.5	5.5	59.8 (iv)	0.3	60.1
Connecticut Post	100.0	100.0	01/07/96	139.2	42.5	148.6 (i)	34.3	182.9
Crestwood	100.0	100.0	15/01/98	106.4	10.6	127.7 (ii)	2.4	130.1
Downtown Plaza	100.0	100.0	02/11/98	150.1	5.0	155.4 (vi)	0.1	155.5
Eagle Rock	100.0	100.0	01/07/96	24.7	4.7	32.9 (vi)	0.1	33.0
Eastland	100.0	100.0	01/07/96	23.2	35.6	67.0 (i)	1.2	68.2
Enfield	100.0	100.0	01/07/96	43.5	23.7	62.8 (ii)	10.0	72.8
Fox Hills	100.0	100.0	07/10/98	80.4	30.6	110.6 (iv)	0.4	111.0
Horton	100.0	100.0	02/11/98	209.9	11.5	221.5 (iv)	0.2	221.7
Independence Mall	100.0	85.0	13/08/98, 30/10/98 & 01/01/99	61.8	63.5	68.0 (iii)	61.0	129.0
Meriden	100.0	100.0	01/07/96 & 15/09/97	105.4	43.9	132.4 (i)	28.0	160.4
Mid Rivers	100.0	100.0	01/07/96	74.5	23.1	124.0 (ii)	7.2	131.2
Mission Valley & Mission Valley – West	100.0	75.8	01/07/96	125.5	45.5	185.7 (iv)	0.2	185.9
North County	100.0	100.0	01/07/96 & 02/11/98	153.6	2.8	148.8 (i)	1.1	149.9
Northwest	100.0	100.0	16/12/97	111.1	8.2	135.7 (ii)	2.7	138.4
Oakridge	100.0	100.0	07/10/98	79.4	3.4	97.0 (vi)	–	97.0
Palm Desert	100.0	100.0	18/08/99	82.2	0.9	n/a	–	83.1
Parkway Plaza	100.0	100.0	28/09/98	165.1	16.4	192.5 (iv)	–	192.5
Plaza Bonita	100.0	100.0	01/07/96	122.2	9.0	133.0 (ii)	7.8	140.8
Promenade	100.0	100.0	27/06/98	33.5	27.3	63.3 (vi)	1.5	64.8
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	131.5	18.4	168.8 (iv)	0.2	169.0
Solano	100.0	100.0	28/09/98	91.2	8.4	116.1 (iv)	0.2	116.3
South County	100.0	100.0	01/07/96	69.6	37.7	75.7 (ii)	35.3	111.0
South Shore	100.0	100.0	01/07/96	142.8	45.0	177.4 (i)	4.3	181.7
Topanga	100.0	100.0	01/07/96 & 17/11/98	154.5	20.8	159.1 (i)	19.6	178.7
Trumbull	100.0	100.0	01/07/96	181.8	14.5	208.4 (i)	7.6	216.0
Vancouver	100.0	100.0	01/07/96 & 06/10/00	80.6	4.4	45.6 (ii)	41.7	87.3
West County	100.0	100.0	01/07/96	44.3	–	48.1 (i)	–	48.1
West Covina	100.0	100.0	01/07/96	135.7	9.0	166.3 (iv)	0.5	166.8
West Park Mall	100.0	100.0	01/07/96	49.1	3.6	52.0 (ii)	0.8	52.8
Westland	100.0	100.0	01/07/96	25.1	0.4	26.3 (i)	0.1	26.4
Wheaton	100.0	100.0	30/05/97 & 01/01/99	91.6	4.8	121.1 (ii)	2.5	123.6
Shopping centre investments				3,331.3	615.7		272.9	4,249.6
Department stores	100.0	100.0	01/07/96	83.0	–	83.4 (ii)	–	83.4
OTHER PROPERTY INVESTMENTS								
World Trade Center (refer Note 29(b))	100.0	100.0	24/07/01	125.1	0.2	n/a	–	125.3
Shopping centre, department stores and other property investments				3,539.4	615.9		272.9	4,458.3
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	331.9	3.8	n/a	–	335.7
Montgomery Mall	50.0	50.0	22/05/01	132.6	4.5	n/a	–	137.1
Plaza Camino Real	40.0	40.0	01/07/96	43.0	2.6	57.2 (ii)	1.2	58.4
UTC	50.0	50.0	31/07/98	93.7	4.3	98.8 (v)	0.3	99.1
Valley Fair	50.0	50.0	31/07/98	149.3	77.3	245.6 (v)	13.9	259.5
West Valley	42.5	42.5	01/07/96	2.9	0.7	11.7 (i)	0.7	12.4
Equity accounted property investments (refer Note 21(c))				753.4	93.2		16.1	902.2
Total consolidated controlled and equity accounted property investments				4,292.8	709.1		289.0	5,360.5

NOTE 6(b)
DETAILS OF INVESTMENTS

(expressed in A$ Million – Translated at the year end exchange rate of A$1.00 = US$0.5106)

Freehold Property	Consolidated or Equity Accounted Interest %	Ownership Interest %	Original Purchase Date	Total Original Acquisition Cost A$ Million	Capital Expenditure Since Acquisition A$ Million	Independent Valuation A$ Million	Capital Expenditure Since Valuation A$ Million	Book Value 31 Dec 2001 A$ Million
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	366.7	68.5	513.1 (iv)	3.1	516.2
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	106.7	10.8	117.1 (iv)	0.6	117.7
Connecticut Post	100.0	100.0	01/07/96	272.6	83.2	291.0 (i)	67.3	358.3
Crestwood	100.0	100.0	15/01/98	208.4	20.8	250.1 (ii)	4.7	254.8
Downtown Plaza	100.0	100.0	02/11/98	293.9	9.8	304.3 (vi)	0.2	304.5
Eagle Rock	100.0	100.0	01/07/96	48.4	9.2	64.4 (vi)	0.2	64.6
Eastland	100.0	100.0	01/07/96	45.5	69.7	131.2 (i)	2.4	133.6
Enfield	100.0	100.0	01/07/96	85.2	46.4	123.0 (ii)	19.7	142.7
Fox Hills	100.0	100.0	7/10/98	157.5	59.9	216.6 (iv)	0.8	217.4
Horton	100.0	100.0	02/11/98	411.1	22.5	433.8 (iv)	0.4	434.2
Independence Mall	100.0	85.0	13/08/98, 30/10/98 & 01/01/99	120.9	124.4	133.2 (iii)	119.4	252.6
Meriden	100.0	100.0	01/07/96 & 15/09/97	206.4	86.0	259.3 (i)	54.8	314.1
Mid Rivers	100.0	100.0	01/07/96	145.9	45.2	242.9 (ii)	14.1	257.0
Mission Valley & Mission Valley – West	100.0	75.8	01/07/96	245.8	89.1	363.6 (iv)	0.4	364.0
North County	100.0	100.0	01/07/96 & 02/11/98	300.9	5.5	291.4 (i)	2.2	293.6
Northwest	100.0	100.0	16/12/97	217.5	16.1	265.8 (ii)	5.3	271.1
Oakridge	100.0	100.0	07/10/98	155.6	6.7	189.9 (vi)	–	189.9
Palm Desert	100.0	100.0	18/08/99	161.0	1.8	n/a	–	162.8
Parkway Plaza	100.0	100.0	28/09/98	323.4	32.1	377.0 (iv)	–	377.0
Plaza Bonita	100.0	100.0	01/07/96	239.4	17.6	260.5 (ii)	15.2	275.7
Promenade	100.0	100.0	27/06/98	65.6	53.5	124.0 (vi)	2.9	126.9
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	257.5	36.0	330.6 (iv)	0.4	331.0
Solano	100.0	100.0	28/09/98	178.5	16.5	227.4 (iv)	0.4	227.8
South County	100.0	100.0	01/07/96	136.4	73.8	148.3 (ii)	69.1	217.4
South Shore	100.0	100.0	01/07/96	279.6	88.1	347.4 (i)	8.4	355.8
Topanga	100.0	100.0	01/07/96 & 17/11/98	302.7	40.7	311.6 (i)	38.4	350.0
Trumbull	100.0	100.0	01/07/96	356.0	28.4	408.1 (i)	14.9	423.0
Vancouver	100.0	100.0	01/07/96 & 06/10/00	157.9	8.6	89.3 (ii)	81.7	171.0
West County	100.0	100.0	01/07/96	86.8	–	94.2 (i)	–	94.2
West Covina	100.0	100.0	01/07/96	265.7	17.6	325.6 (iv)	1.0	326.6
West Park Mall	100.0	100.0	01/07/96	96.3	7.1	101.8 (ii)	1.6	103.4
Westland	100.0	100.0	01/07/96	49.2	0.8	51.5 (i)	0.3	51.8
Wheaton	100.0	100.0	30/05/97 & 01/01/99	179.3	9.4	237.2 (ii)	4.9	242.1
Shopping centre investments				6,524.3	1,205.8		534.8	8,322.8
Department stores	100.0	100.0	01/07/96	162.6	–	163.3 (ii)	–	163.3
OTHER PROPERTY INVESTMENTS								
World Trade Center (refer Note 29(b))	100.0	100.0	24/07/01	245.0	0.4	n/a	–	245.4
Shopping centre, department stores and other property investments				6,931.9	1,206.2		534.8	8,731.5
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	650.0	7.4	n/a	–	657.4
Montgomery Mall	50.0	50.0	22/05/01	259.7	8.9	n/a	–	268.6
Plaza Camino Real	40.0	40.0	01/07/96	84.2	5.1	112.0 (ii)	2.3	114.3
UTC	50.0	50.0	31/07/98	183.5	8.4	193.5 (v)	0.5	194.0
Valley Fair	50.0	50.0	31/07/98	292.4	151.4	481.1 (v)	27.2	508.3
West Valley	42.5	42.5	01/07/96	5.7	1.4	22.9 (i)	1.4	24.3
Equity accounted property investments (refer Note 21(c))				1,475.5	182.6		31.4	1,766.9
Total consolidated controlled and equity accounted property investments				8,407.4	1,388.8		566.2	10,498.4

NOTE 6(c)
DETAILS OF INVESTMENTS

The Economic Entity revalues each of its individual property investments based on independent appraisals as part of a regular revaluation program. Property investments are carried at their original acquisition cost together with capital expenditure since acquisition or at their latest revalued amount based on independent appraisals together with capital expenditure since the previous revaluation. Details of the latest independent appraisals are as follows:

(i) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 30 June 1999.

(ii) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 May 2000.

(iii) The independent valuation was carried out by Cushman & Wakefield, Inc. (Registered Valuers) as at 16 March 2000.

(iv) The independent valuation was carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 October 2001.

(v) The independent valuation was carried out by Cushman & Wakefield, Inc. (Registered Valuers) as at 1 October 2001.

(vi) The independent valuation was carried out by Cushman & Wakefield, Inc. (Registered Valuers) as at 31 October 2001.

The valuations referred to in (i), (ii), (iii), (iv), (v) and (vi) were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property.

As at 31 December 2001, an assessment of the fair value of this class of assets was carried out and there was no material increment or decrement from the carrying value identified.

During the period, the Economic Entity disposed of a 50% interest in Montgomery Mall. This property was sold at book value for cash consideration of US$62.1 million ($121.5 million) and the assumption of related borrowings totalling US$78.4 million ($110.7 million) respectively.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 7 OTHER NON CURRENT ASSETS				
Other debtors and deferred costs	55.9	64.2	109.6	115.8
	55.9	64.2	109.6	115.8
NOTE 8 PAYABLES – CURRENT				
Trade creditors	44.3	26.2	86.8	47.4
Other creditors and accruals	64.9	44.5	127.2	80.3
United States withholding tax payable	0.3	0.3	0.6	0.5
Distribution payable to Members	73.0	47.7	120.8	75.3
Dividend and distribution payable to Outside Equity Interests	7.1	13.0	13.9	23.5
	189.6	131.7	349.3	227.0
NOTE 9 INTEREST-BEARING LIABILITIES: BORROWINGS – CURRENT				
Bank bills payable – unsecured (refer Note 12(a))	8.7	26.3	17.0	47.5
Notes payable – secured (refer Note 12(a))	214.8	920.1	420.7	1,658.3
	223.5	946.4	437.7	1,705.8

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 10 INTEREST-BEARING LIABILITIES: CAPITAL NOTES – CURRENT				
Capital Notes – unsecured, subordinated	79.2	86.0	155.0	155.0
Net payable/(receivable) on currency hedge contracts in respect of Capital Notes	21.2	14.4	41.6	25.9
	100.4	100.4	196.6	180.9

Details of Capital Notes are set out in Note 13.

NOTE 11 PAYABLES – NON CURRENT				
Other creditors and accruals	50.1	64.2	98.3	115.7
	50.1	64.2	98.3	115.7

NOTE 12 INTEREST-BEARING LIABILITIES: BORROWINGS – NON CURRENT					
Bank loans	– secured (refer (a) below)	137.0	233.0	268.3	420.0
Notes payable	– secured (refer (a) below)	2,040.5	1,037.2	3,996.3	1,869.4
Notes payable	– unsecured (refer (a) below)	–	150.0	–	270.4
		2,177.5	1,420.2	4,264.6	2,559.8

(a) Current unsecured bank bills payable and non-current secured bank loans represent amounts owing to banks at floating rates. Current and non-current secured notes payable represent amounts owing to banks and insurance companies. These notes are secured by mortgages against the shopping centres, department stores and leases thereon, and other property investments. Bank bills, bank loans and notes payable have terms expiring on various dates as set out in (c) below.

NOTE 12
INTEREST-BEARING LIABILITIES: BORROWINGS – NON CURRENT CONTINUED

(b) Details of secured current and non-current notes payable and bank loans in relation to each property are set out below:

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Capital Mall	38.0	–	74.4	–
Independence Mall	87.4	55.2	171.1	99.4
Meriden	97.7	98.5	191.4	177.5
Mission Valley & Mission Valley – West	75.0	75.0	146.9	135.2
Montgomery Mall	–	157.4	–	283.7
North County	69.6	71.0	136.2	128.0
Palm Desert	66.6	–	130.3	–
Plaza Bonita	82.5	–	161.6	–
Santa Anita	57.2	59.4	112.0	107.1
Solano	38.9	40.0	76.4	72.1
South County	77.0	48.4	150.8	87.1
Topanga	97.9	100.6	191.7	181.4
Vancouver Mall	57.0	57.0	111.6	102.7
West County	57.1	–	111.8	–
World Trade Centre	98.3	–	192.6	–
Department stores	63.0	66.2	123.5	119.3
Pools of wholly owned centres *	1,329.1	1,361.6	2,603.0	2,454.2
Total secured notes payable and bank loans (current and non-current)	2,392.3	2,190.3	4,685.3	3,947.7

** Pools of wholly owned centres – Fox Hills, Horton, Parkway Plaza, Mid Rivers, West Covina, West Park Mall, Oakridge, Northwest, Crestwood, Enfield, Annapolis, Eagle Rock, Downtown Plaza, Eastland, South Shore, Connecticut Post, Promenade, Trumbull, Westland and Wheaton.*

The carrying amount of the property investments in respect of secured borrowings are included in Notes 5 and 6.

(c) The maturity profiles in respect of current and non current bank bills, bank loans and notes payable are set out below:

Due within one year	223.5	946.4	437.7	1,705.8
Due between one and five years	880.8	676.5	1,725.0	1,219.4
Due after five years	1,296.7	743.7	2,539.6	1,340.4
	2,401.0	2,366.6	4,702.3	4,265.6

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 13 INTEREST-BEARING LIABILITIES: CAPITAL NOTES – NON CURRENT				
Capital Notes – unsecured, subordinated (refer below)	79.2	172.0	155.0	310.0
Net payable/(receivable) on currency hedge contracts in respect of Capital Notes	21.2	28.7	41.6	51.8
	100.4	200.7	196.6	361.8

Pursuant to the Prospectus dated 15 May 1998, 155 million unsecured subordinated Capital Notes were issued by WEA during 1998 for a cash consideration of $3.00 each. They have a face value of $3.00 each and carry a fixed coupon rate of 8.01% payable semi-annually on 30 June and 31 December each year. The principal sum of Capital Notes will be repayable in two equal instalments on 28 June 2002 and 30 June 2003.

On each of those dates, concurrent with the repayment of the Capital Notes by WEA, WAT will receive the two instalments of $155 million each upon settlement of its fully underwritten Partly Paid Units ("PPUs") (refer Note 16).

On 29 June 2001, WEA repaid the first tranche of $155 million in respect of the Capital Notes and WAT received $155 million in respect of payment of the Series A PPUs.

NOTE 14 INTEREST-BEARING LIABILITIES: CONVERTIBLE REDEEMABLE PREFERENCE SHARES				
Convertible Redeemable Preference Shares	175.0	175.0	342.7	315.4

Given their economic characteristics, the Responsible Entity considers these Preference Shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 – "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

The Convertible Preference Shares that were issued in August and December 1998 were issued at a price of US$180.00 each and are not quoted on any stock exchange.

As approved by Members at a meeting held 29 June 2001, on completion of the tender offer referred to on page 25, the Series C, C-1 and C-2 Convertible Preference Shares were exchanged for an identical number of new preference shares on modified terms (and redesignated as Series G Convertible Preference Shares "Series G Preferred Shares").The Series D Convertible Shares held by WAT were converted into WEA Common Stock. The Series D Convertible Preference Shares then on issue had their terms amended to be substantially the same as the Series G Preferred Shares ("Amended Series D Preferred Shares"). (The Series G Preferred Shares and the Amended Series D Preferred Shares are collectively referred to as the "New Preference Shares"). During the year, 694,445 Series G and 277,778 Series G1 Special Options in the Trust were issued to the holders of the New Preference Shares, which will enable them to exchange their securities in WEA for units in WAT (refer Note 16).

The holders of the New Preference Shares are entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at 3% per annum thereafter; or (ii) the U.S. dollar equivalent of the distribution on the number of ordinary units in the Trust into which the New Preference Shares are then exchangeable.

Each Series G Preferred Share will be convertible into 10 shares of Series A common stock ("Series A Common Shares") in WEA, (subject to adjustment for reconstruction etc). The Series G Preferred Shares will be entitled to a one-tenth of a vote per Series G Preferred Share on all matters submitted to a vote of the holders on the common stock and Series A Common Shares in WEA. The Series A Common Shares will pay a dividend equal to the U.S. dollar equivalent of the distribution on the number of ordinary units in the Trust into which such Series A Common Shares are then exchangeable. The holders of the Series A Common Shares will also be entitled to 1.10 votes per share on all matters submitted to a vote of the holders of WEA common stock.

NOTE 14
INTEREST-BEARING LIABILITIES: CONVERTIBLE REDEEMABLE PREFERENCE SHARES CONTINUED

While not a term of the Series G Preferred Shares the original holder of the Series G Preferred Shares can, subject to certain conditions, require WEA to redeem a number of the Series G Preferred Shares or Series A Common Shares, or a combination thereof, on 31 August 2002 and the last business date of May of 2004 and each year thereafter. The maximum aggregate amount which may be redeemed pursuant to the exercise of these rights is US$125,000,100.

Each Amended Series D Preferred Share is convertible into 10 common shares in WEA, which will not form a separate series of shares.

The original holder of the Amended Series D Preferred Shares and/or the common shares into which the Amended Series D Preferred Shares have been converted can require WEA, subject to certain conditions, to redeem a number of the Amended Series D Preferred Shares or common shares into which such preferred shares convert, or a combination thereof, on 31 August 2002 and the last business date of May of 2004 and each year thereafter. The maximum aggregate amount which may be redeemed pursuant to those rights is US$50,000,040.

The New Preference Shares are redeemable by WEA at any time after 12 August 2008 at 100% of the liquidation preference. If WEA is wound up, a New Preference Share will carry with it a liquidation preference of US$180.00.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 15 INTEREST-BEARING LIABILITIES: REDEEMABLE CONVERTING PREFERENCE UNITS				
Redeemable Converting Preference Units	51.1	–	100.0	–

In April and May 2001, WAT issued 1,000,000 Redeemable Converting Preference Units ("RCP Units") at an application price of $100.00 per unit. Each RCP Unit has the right to receive distributions ahead of all other classes of units. Distributions on each RCP Unit will be equal to 9% per annum.

The Responsible Entity may redeem the RCP Units at any time up until 28 February 2003. If they are still outstanding, they will automatically convert into Ordinary Units at a 2% discount to market value. RCP Units may be redeemed at their application price, plus any accrued but unpaid distributions, at any time at the option of the Responsible Entity. The holders of RCP Units are not entitled to require the Responsible Entity to redeem their RCP Units.

Upon winding up of WAT, the RCP Units, in priority to all other classes of units, will receive on a pro rata basis any amounts available for distribution to Members, the following amounts (a) any unpaid distributions owing in respect of an RCP Unit; and (b) the aggregate amount of the application price of the RCP Units.

NOTE 16
ISSUED CAPITAL

	Number of Units	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Ordinary Units on Issue					
Ordinary Units of $1.00 each Fully Paid					
Balance at beginning of the year	1,181,711,483	975.4	836.9	1,342.7	1,104.7
Placement – net of costs					
allotment date – 31 August 2000	–	–	85.3	–	148.5
allotment date – 30 March 2001	310,500,000	231.7	–	440.3	–
allotment date – 11 December 2001	165,670,000	140.4	–	271.9	–
DRP units – net of costs					
allotment date – 28 February 2000	–	–	25.6	–	41.5
allotment date – 31 August 2000	–	–	27.6	–	48.0
allotment date – 28 February 2001	28,804,946	23.1	–	43.8	–
allotment date – 31 August 2001	53,883,047	48.3	–	91.0	–
Conversion of PPUs – net of costs					
allotment date – 29 June 2001	107,844,754	77.7	–	149.3	–
Balance at end of the year	1,848,414,230	1,496.6	975.4	2,339.0	1,342.7

On 28 February 2001, 28,804,946 Ordinary Units were issued at $1.52 per unit fully paid and on 31 August 2001, 53,883,047 Ordinary Units were issued at $1.70 per unit fully paid pursuant to WAT's Distribution Reinvestment Plan ("DRP"). DRP units issued during the period ranked for distribution from the first day of the month immediately following their allotment. On 30 March 2001, a placement of 310,500,000 Ordinary Units was made at $1.45 per unit fully paid. These units ranked for distribution from 1 April 2001. On 29 June 2001, 107,844,754 units were issued at $1.44 per unit fully paid as part of the Series A PPU conversion into Ordinary Units. These units ranked for distribution from 1 July 2001. On 11 December 2001, 165,670,000 units were issued at $1.66 per unit fully paid. These units rank for distribution from 1 January 2002.

Partly Paid Units on Issue					
Partly Paid Units of $50.20 each					
Partly Paid to $0.20 each					
Balance at beginning of the year	9,300,000	1.2	1.2	1.8	1.8
Conversion into Ordinary Units	(3,100,000)	(0.4)	–	(0.6)	–
Balance at end of the year	6,200,000	0.8	1.2	1.2	1.8

	Number of Special Options	Number of fully paid WAT Units into which Special Options convert
Special Options on Issue		
Series F	52,500	55,072,500
Series G	694,445	160,478,114
Series G1	277,778	64,191,246
Series H	14,070,072	286,003,761
	15,094,795	565,475,621

NOTE 16
ISSUED CAPITAL CONTINUED

Partly Paid Units – $311.24 million

The Series A PPUs were converted into Ordinary Units on 29 June 2001. Subject to payment of the final instalment of $50.00 for each of the series, the Series B and Series C PPUs will convert into Ordinary Units in WAT on 28 June 2002 and 30 June 2003 respectively at a 5% discount to the market price for Ordinary Units at that time. The funds raised on conversion, totalling $466.86 million, have been underwritten by UBS Warburg Australia Limited and will be used by WAT, pursuant to an agreement dated 29 May 1998, to subscribe for additional Common Shares in WEA. At a meeting of WAT on 29 June 2001, Members approved amendments to this agreement including the method of calculating the issue price of Common Shares in WEA. (See Related Party Note 33).

At any time up to two days prior to the due date for the final instalment on a series of PPUs, Westfield America Management Limited, the Responsible Entity, has the right to redeem that series by the payment of $2.64 per PPU or by the issue of Ordinary Units to the value of $2.64.

The PPUs have no distribution entitlement to the income of WAT. The Ordinary Units into which they convert following payment of the final instalment will rank for distribution from 1 July following each respective conversion date.

Prior to the payment of the final instalment, the PPUs have no voting entitlement at meetings of Members in WAT except where the Corporations Act 2001 (Cwlth) or the Listing Rules requires that PPUs carry an entitlement to vote.

The PPUs are quoted as stapled securities, with each stapled security consisting of one Series B and one Series C PPU. At 31 December 2001, there were 6,200,000 PPUs representing 3,100,000 stapled securities on issue which would have been convertible to 176,140,351 WAT $1.00 Ordinary Units as at 31 December 2001.

Special Options

Each Series F Special Option entitles the holder the right to subscribe for 1,049 fully paid $1.00 Ordinary Units in WAT in exchange for either US$1,000.00 ($1,958.48) or 1 Series F Preferred Share in WEA. The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. At 31 December 2001, there were 52,500 Series F Special Options on issue which are convertible to 55,072,500 Ordinary Units in WAT.

In conjunction with the completion of the tender offer, the following Special Options were issued:

During the year 694,445 Series G Special Options were issued to Security Capital Preferred Growth, Inc and 277,778 Series G1 Special Options were issued to Westfield American Investments Pty. Ltd. ("WAIPL") for a cash consideration of US$427,449 and US$171,051, respectively. The Series G Special Options are exercisable any time after September 2003 (or such earlier date if certain specified events occur) and expire on the date being 10 days prior to the date of termination of the Trust. At 31 December 2001, there were 972,223 Series G and G1 Special Options on issue which are convertible to 224,669,360 Ordinary Units in WAT.

During the year 11,805,862 Series H Special Options were issued to WAIPL and 2,264,210 Series H Special Options were issued to Westfield Corporation Inc for a cash consideration of US$83,908 and US$16,092, respectively. The Series H Special Options are exercisable any time after September 2003 (or such earlier date if certain specified events occur) and expire on the date being 10 days prior to the date of termination of the Trust. At 31 December 2001, there were 14,070,072 Series H Special Options on issue which are convertible to 286,003,761 Ordinary Units in WAT.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 17 RESERVES				
Asset Revaluation Reserve	242.4	104.5	439.9	165.7
Asset Reallocation Reserve	1.5	1.5	2.6	2.6
Option Premium Reserve	4.8	4.7	8.3	8.1
Foreign Currency Translation Reserve	3.0	–	650.2	447.0
	251.7	110.7	1,101.0	623.4
Asset Revaluation Reserve				
Movement in Reserve				
Balance at beginning of the year	104.5	49.9	165.7	74.7
Increment on revaluation of property investments	142.5	54.6	279.0	91.0
Revaluation to fair value of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	24.7	–	50.4	–
Transfer from/(to) retained profits to reflect the appropriate ownership proportions upon the acquisition by WAT of additional interests in controlled entity from Outside Equity Interests	(29.3)	–	(55.2)	–
Balance at end of the year	242.4	104.5	439.9	165.7
Asset Reallocation Reserve				
Movement in Reserve				
Balance at beginning of the year	1.5	(26.4)	2.6	(33.7)
Reallocation of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	–	27.9	–	36.3
Balance at end of the year	1.5	1.5	2.6	2.6
Option Premium Reserve				
Movement in Reserve				
Balance at beginning of the year	4.7	–	8.1	–
Premium on issue of 52,500 Series F Special Options	–	4.7	–	8.1
Premium on issue of 14,070,072 Series H Special Options	0.1	–	0.2	–
Balance at end of the year	4.8	4.7	8.3	8.1
Foreign Currency Translation Reserve				
Movement in Reserve				
Balance at beginning of the year	–	–	447.0	170.0
Exchange differences arising on translation of the Financial Statements of overseas operations	–	–	203.2	277.0
Exchange differences arising on translation of the Financial Statements of the parent entity	3.0	–	–	–
Balance at end of the year	3.0	–	650.2	447.0

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 18 RETAINED EARNINGS				
Retained earnings at beginning of the year	33.9	33.9	52.9	52.9
Net profit/(loss) attributable to Members of the Parent Entity	128.1	90.3	211.9	141.8
Distribution paid/payable	(128.4)	(90.3)	(212.4)	(141.8)
Transfer from/(to) Asset Revaluation Reserve to reflect the appropriate ownership proportions upon the acquisition by WAT of additional interests in controlled entity from Outside Equity Interests	29.3	–	55.2	–
Retained earnings at end of the year	62.9	33.9	107.6	52.9

NOTE 19
OUTSIDE EQUITY INTERESTS

Analysis of Outside Equity Interests				
Interests in Westfield America, Inc.				
Share Capital (i)				
14,074,818 Common Shares (Dec 2000: 30,552,853)	149.6	433.9	128.7	542.1
3,075,420 Partnership Units (Dec 2000: 3,075,420) (ii)	54.7	54.7	88.7	88.7
52,483 Series F Partnership Preferred Units (Dec 2000: 52,483) (iii)	52.4	52.4	91.6	91.6
Asset Revaluation Reserve	88.4	106.1	151.5	168.4
Asset Reallocation Reserve	(1.5)	(1.5)	(2.6)	(2.6)
Option Premium Reserve	0.0	0.0	0.0	0.0
Foreign Currency Translation Reserve	–	–	246.9	295.4
Retained Earnings	86.3	74.6	137.0	114.6
	429.9	720.2	841.8	1,298.2
Interest in Joint Venture Properties	46.3	31.8	90.7	57.3
	476.2	752.0	932.5	1,355.5

(i) Excluded from Outside Equity Interests are the Convertible Redeemable Preference Shares. Refer Note 14.

(ii) Under certain circumstances, investors in the Operating Partnership may exchange their 3,075,420 Partnership Units for cash or, at the discretion of WEA, an equivalent number of Common Shares in WEA.

(iii) The Series F Partnership Preferred Units were issued on commercial terms that are similar to WEA's Common Shares. The holders of the 52,483 Series F Partnership Preferred Units are entitled to an annual dividend per unit equivalent to the greater of US$85.00 ($164.09) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Partnership Preferred Unit is entitled to be paid US$1,000 ($1,958.48) upon liquidation. The Series F Partnership Preferred Units may be redeemed at the option of WEA at any time after 1 June 2020, upon payment of US$1,000 ($1,958.48) per Partnership Preferred Unit together with any accrued dividend.

After 1 June 2001, the holder will have the right to require WEA to redeem the Series F Partnership Preferred Units for cash. In this situation, however, WEA will have the right to issue an equivalent number of shares of Series F Cumulative Preferred Stock ("Series F Preferred Shares") instead of paying cash.

The Series F Preferred Shares will not carry any right to convert into Common Shares of WEA. The holders of Series F Preferred Shares are entitled to an annual dividend per share equivalent to the greater of US$85.00 ($164.09) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Series F Preferred Share is entitled to be paid US$1,000 ($1,958.48) upon liquidation. The Series F Preferred Share may be redeemed at the option of WEA at any time after 20 June 2020, upon payment of US$1,000 ($1,958.48) per Series F Preferred Share together with any accrued dividend.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 19 OUTSIDE EQUITY INTERESTS CONTINUED				
Movements in Outside Equity Interests				
Balance at beginning of the year	752.0	790.8	1,355.5	1,210.1
Issue of Share Capital	0.1	52.5	0.2	91.8
Premium on Issue of Put Option	–	0.0	–	0.0
Increment on revaluation of property investments	45.7	56.8	89.5	94.6
Acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	(334.4)	(171.3)	(494.0)	(284.3)
Adjustment to Outside Equity Interests on consolidation of previously proportionately consolidated joint venture interests	–	6.8	–	12.4
Exchange differences arising on translation of the Financial Statements of overseas operations	–	–	(43.5)	205.7
Earnings After Withholding Tax Attributable to Outside Equity Interests	51.5	77.2	93.0	132.9
Dividends Paid and Payable to Outside Equity Interests	(38.7)	(60.8)	(68.2)	(107.7)
Balance at end of the year	476.2	752.0	932.5	1,355.5

NOTE 20
TOTAL EQUITY INTERESTS

Total equity interests at beginning of the year	1,873.2	1,686.3	3,376.3	2,580.5
Total changes in equity recognised in the Statement of Financial Performance	298.4	177.5	744.7	554.2
Transactions with owners as owners				
Contribution of equity (refer Note 16)	520.8	138.5	995.7	238.0
Distribution paid/payable	(128.4)	(90.3)	(212.4)	(141.8)
Total changes in Outside Equity Interests (refer Note 19)	(275.8)	(38.8)	(423.0)	145.4
Total equity interests at end of the year	2,288.2	1,873.2	4,481.3	3,376.3

NOTE 21
DETAILS OF EQUITY ACCOUNTED JOINT VENTURES

(a) Equity accounted property partnerships, trusts and companies:

			Net assets			
Name*	Type of equity	Ownership interest	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Garden State Plaza	partnership units	50.0%	203.9	202.1	399.2	364.3
Montgomery Mall	partnership units	50.0%	65.4	–	128.1	–
Plaza Camino Real	partnership units	40.0%	45.2	45.4	88.5	81.8
UTC	partnership units	50.0%	62.0	56.8	121.5	102.4
Valley Fair	partnership units	50.0%	136.4	98.2	267.1	177.0
West Valley	partnership units	42.5%	12.6	13.5	24.7	24.3
			525.5	416.0	1,029.1	749.8

**All equity accounted property partnerships, trusts and companies operate solely as retail property investors in the United States.*

NOTE 21
DETAILS OF EQUITY ACCOUNTED JOINT VENTURES
CONTINUED

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
(b) Details of the Group's aggregate share of joint ventures' net profit:				
Shopping centre rental and other income	90.5	60.3	174.7	99.6
Interest income	0.3	0.3	0.6	0.5
	90.8	60.6	175.3	100.1
Rates, taxes and other property outgoings	22.6	15.6	43.7	25.8
Interest and other borrowing costs	23.3	17.0	44.9	28.2
Other expenses	0.2	0.4	0.4	0.6
	46.1	33.0	89.0	54.6
Profit before tax	44.7	27.6	86.3	45.5
Taxation	–	–	–	–
Net profit	44.7	27.6	86.3	45.5
(c) Details of the Group's aggregate share of joint ventures' assets and liabilities:				
Cash assets	11.5	5.2	22.6	9.4
Receivables	3.7	2.9	7.2	5.2
Property investments (refer Notes 6(a) & 6(b))	902.2	651.5	1,766.9	1,174.3
Construction in progress	(0.8)	41.3	(1.5)	74.4
Other assets	6.8	6.8	13.2	12.4
	923.4	707.7	1,808.4	1,275.7
Payables	1.4	1.0	2.6	1.8
Borrowings	388.9	285.4	761.7	514.5
Other liabilities	7.6	5.3	15.0	9.6
	397.9	291.7	779.3	525.9
Net assets	525.5	416.0	1,029.1	749.8
(d) Details of the Group's carrying value of investments in joint ventures:				
Balance at beginning of the year	416.0	252.2	749.8	385.9
Net assets of joint ventures no longer equity accounted	–	(52.1)	–	(79.7)
Net assets of joint ventures previously consolidated	56.9	–	109.6	–
Share of foreign currency translation reserve	–	–	67.3	72.4
Additions/(disposals) during the year	19.7	205.7	38.0	354.2
Share of net profit for the year	44.7	27.6	86.3	45.5
Distributions paid during the year	(44.7)	(27.6)	(86.3)	(45.5)
Share of revaluation increment for the year	32.9	10.2	64.4	17.0
Carrying value of investments in joint ventures	525.5	416.0	1,029.1	749.8

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 21				
DETAILS OF EQUITY ACCOUNTED JOINT VENTURES CONTINUED				
(e) Details of the Group's aggregate share of joint ventures' reserves:				
Retained Earnings				
Balance at beginning of the year	–	–	–	–
Share of net profit for the year	44.7	27.6	86.3	45.5
Distributions paid during the year	(44.7)	(27.6)	(86.3)	(45.5)
Balance at end of the year	–	–	–	–
Asset Revaluation Reserve				
Balance at beginning of the year	23.5	13.3	37.1	20.1
Increment on revaluation of property investments	32.9	10.2	64.4	17.0
Balance at end of the year	56.4	23.5	101.5	37.1
Foreign Currency Translation Reserve				
Balance at beginning of the year	–	–	117.0	48.7
Net assets of joint ventures no longer equity accounted	–	–	–	(4.1)
Net assets of joint ventures previously consolidated	–	–	(7.0)	–
Exchange differences arising on translation of the Financial Statements of overseas joint ventures	–	–	67.3	72.4
Balance at end of the year	–	–	177.3	117.0

(f) The Group's share of contingent liabilities and capital expenditure commitments, in respect of equity accounted joint ventures are, where applicable, included in Notes 27 and 29 respectively.

NOTE 22
RATES, TAXES AND OTHER PROPERTY OUTGOINGS

Rates, Taxes and Other Property Outgoings of the Economic Entity include the following charges/(credits):				
Property Maintenance and Repairs expenses	26.6	25.4	51.3	41.9
Amortisation of deferred costs	12.5	9.7	24.0	16.0
Real Estate Management Fees paid and payable to the Responsible Entity or its Associates	24.4	21.8	47.2	36.1
Expense Reimbursement to the Responsible Entity or its Associates	26.9	25.4	52.0	41.9
Included in the above amounts are Real Estate Management Fees and Reimbursible Expenses payable	2.0	1.8	3.9	3.2

NOTE 23
INTEREST AND OTHER BORROWING COSTS

Interest costs	227.3	202.1	438.6	336.5
Other borrowing costs	7.5	6.0	14.5	9.9
Less: amounts capitalised	(13.2)	(4.9)	(25.5)	(8.1)
Interest and other borrowing costs expensed	221.6	203.2	427.6	338.3

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 24 AUDITORS' REMUNERATION				
Amounts paid or due and payable to Auditors (Ernst & Young) of the Parent Entity:				
– for audit services	0.100	0.071	0.192	0.119
– for other services	0.023	0.001	0.045	0.002
Amounts paid or due and payable to Affiliates of the Auditors (Ernst & Young) of the Parent Entity:				
– for audit services	0.716	0.777	1.182	1.287
– for other services	0.179	0.000	0.346	0.000
	1.018	0.849	1.765	1.408

In addition to the above, fees amounting to US$0.158 million ($0.306 million) were paid or were payable by the Group during the financial year to the Auditors and Affiliates of the Auditors (Ernst & Young) of the Parent Entity for professional services in connection with the WEA tender offer and merger.

NOTE 25
EARNINGS AND DISTRIBUTION PER UNIT

Basic Earnings Per Unit is calculated by dividing the current period's Earnings from Ordinary Activities after Withholding Tax attributable to WAT by the weighted average number of Ordinary Units on issue during the year. The Basic Earnings Per Unit for the year ended 31 December 2001 is A 14.01 cents equivalent to US 8.47 cents. The Distribution Per Unit for the year ended 31 December 2001 is A 14.01 cents equivalent to US 8.47 cents.

The weighted average number of Ordinary Units for the financial year was 1,512,174,442 Units on an entitlement basis (December 2000: 1,089,911,759 Units).

Diluted Earnings Per Unit is calculated by dividing the current year's Earnings from Ordinary Activities after Withholding Tax attributable to WAT as adjusted for earnings arising from proceeds on issue of potential Ordinary Units by the weighted average number of Ordinary and potential Ordinary Units outstanding during the current financial year. Potential Ordinary Units include unexpired Special Options, PPUs, Partnership Units and Redeemable Convertible Preference Units, convertible to Ordinary Units. At 31 December 2001, there were 852,137,546 potential Ordinary Units of which 396,255,572 potential Ordinary Units with respect to unexpired Special Options, Partnership Units and Redeemable Convertible Preference Units were not considered to be dilutive. The diluted A$ Earnings Per Unit for the year ended 31 December 2001 is 13.82 cents equivalent to US 8.09 cents. There is no dilution to A$ Earnings Per Unit for the year ended 31 December 2000.

	31 Dec 2001 A$	31 Dec 2000 A$
NOTE 26 NET ASSET BACKING PER UNIT		
Net Asset Backing per Unit	1.92	1.71

Net asset backing per unit is calculated by dividing the Equity Attributable to Members of WAT by the number of Ordinary Units on issue at the end of the financial year.

NOTE 27
CONTINGENT LIABILITIES

The Redevelopment Agency of the City of West Covina ("Agency") issued US$51.2 million ($100.3 million) (December 2000 US$51.2 million ($92.3 million)) of special tax assessment municipal bonds ("Bonds") to finance land acquisition for expansion of the shopping centre and additional site improvements. Special taxes levied against the property, together with incremental property tax, incremental sales tax, and park and ride revenues will be used to pay the principal and interest on the Bonds and the administrative expense of the Agency. Principal and interest payments will continue to 2022 in graduating amounts ranging from US$3.5 million ($6.9 million) (December 2000 US$3.5 million ($5.8 million)) to US$5.3 million ($10.4 million) (December 2000 US$5.3 million ($8.7 million)). The Economic Entity has the contingent obligation to satisfy any shortfall in annual debt service after tenant recoveries.

WEA and the Operating Partnership are guarantors under a construction loan with an outstanding balance of US$86.8 million ($169.9 million) at 31 December 2001 entered into by Valley Fair Mall LLC, an equity accounted joint venture, and are subject to certain restrictive covenants relating to the maintenance of specific performance ratios such as minimum net worth, debt service coverage ratio, and debt to equity ratio. As at 31 December 2001, WEA was in compliance with these covenants.

The Economic Entity also has contingent liabilities, estimated at US$83.6 million ($163.8 million) (December 2000 US$23.6 million ($42.6 million)), arising from obligations in respect of the performance of works pursuant to lease, construction and development commitments.

The Economic Entity is involved in several lawsuits in the normal course of business. However, management believes that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Economic Entity.

NOTE 28
LEASES

Property rental

Substantially all of the property owned by the Group is leased to third-party retailers under operating leases as at 31 December 2001. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

Future minimum rental revenues receivable under non-cancellable operating leases as at 31 December 2001 are as follows:

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Due within one year	320.4	311.8	627.5	562.1
Due between one year and five years	1,009.8	989.8	1,977.7	1,784.0
Thereafter	890.0	814.6	1,743.1	1,468.3

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

NOTE 29
EXPENDITURE COMMITMENTS

(a) Capital Expenditure commitments

Expenditure of the Economic Entity contracted but not provided for:

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Due within one year	159.6	226.9	312.6	409.0
Thereafter	–	95.9	–	172.8
	159.6	322.8	312.6	581.8

The above capital expenditure is committed to redevelop and expand investment properties owned by the Economic Entity.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 29				
EXPENDITURE COMMITMENTS CONTINUED				
(b) Lease expenditure commitments				
Operating leases:				
Minimum lease payments				
Due within 1 year	10.7	1.4	21.2	2.5
Due between 1 year and 5 years	44.2	5.6	86.5	10.0
Due between 5 years and 10 years	59.6	5.0	116.7	9.0
Due between 10 years and 100 years	21,398.5	32.9	41,914.1	59.4
Aggregate lease expenditure contracted for at balance date	21,513.0	44.9	42,138.5	80.9

The above lease expenditure commitments are in respect of:

(a) Future minimum annual ground lease payments relating to several of the Economic Entity's centres totalling US$88.4m; and

(b) Annual non-recourse ground lease payments in connection with the World Trade Centre 99 year lease totalling US$21,424.6 million. The present value of these non-recourse lease payments over the maximum term of the lease using a discount rate of 8.0% is estimated at US$307.6 million.

In July 2001 WEA completed an agreement to acquire a long term lease for the retail component of the World Trade Center in New York for 99 years at a cost of US$126.6m. On 11 September 2001 terrorist attacks destroyed the complex, including the retail component leased by WEA. Management believes that WEA's insurance is adequate to protect its initial investment and to reimburse it for business interruption for the foreseeable future and therefore believes that the destruction of the retail component of the World Trade Center complex will not have a material adverse impact on WEA's consolidated financial position or results of operations.

NOTE 30
UNHEDGED FOREIGN CURRENCY ITEMS

The net assets of the Economic Entity are not hedged except for $310.0 million of Australian Dollar denominated liabilities in relation to the Capital Notes which are subject to currency hedge contracts equivalent to US$200.8 million.

NOTE 31
DERIVATIVE FINANCIAL INSTRUMENTS

Interest rates

Interest rates for and principal amounts of fixed rate borrowings and derivative financial instruments for the hedging of interest rate exposures on a proportion of the Economic Entity's existing and anticipated future United States Dollar denominated borrowings:

Fixed rate position as at	Average rate including margins	US$ Million principal amount
31 Dec 2001	7.71%	2,852.0
31 Dec 2002	7.53%	2,954.0
31 Dec 2003	7.62%	2,875.0
31 Dec 2004	7.64%	2,827.0
31 Dec 2005	7.48%	2,730.0
31 Dec 2006	7.55%	2,472.0
31 Dec 2007	7.54%	2,149.0
31 Dec 2008	7.15%	1,340.0

At 31 December 2001, the fair value compared to book value of the above fixed rate borrowings and hedging arrangements amounted to a deficit of US$110.8 million (A$217.0 million).

In addition to the above, the Economic Entity has also issued US$175.0 million Convertible Redeemable Preference Shares with a coupon rate equal to the greater of 9.3% per annum or the US dollar equivalent of the distribution on the number of ordinary units in the Trust into which the Preference Shares are then exchangeable. The terms and conditions in respect of these Preference Shares are set out in Note 14.

Exchange rates

	Weighted average forward exchange rate	To pay US$ Million	To receive A$ Million
Forward Exchange Contracts extant at 31 December 2001 in respect of the period ending 31 December:			
2001	0.5924	44.9	75.8
2002	0.5912	156.5	264.7
2003	0.5885	154.9	263.2
2004	0.5820	134.5	231.1
2005	0.5168	110.6	214.0
2006	0.4947	70.7	142.9

The Parent Entity has entered into currency hedges in respect of a proportion of its US$ dividends and distributions receivable from its controlled entities. These hedges are not recognised on the financial statements until the underlying transactions are recorded.

NOTE 31
DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

Exchange rates continued

The average forward exchange rate at 31 December 2001 for contracts with similar maturity profiles was A$1.00 = US$0.4992 (A$1.00 = US$0.5567 at 31 December 2000).

	US$ Million principal amount	A$ Million principal amount
Cross-currency swap to pay United States dollars and receive Australian dollars	(200.8)	310.0

The cross-currency swap contract hedges the currency risk in relation to interest and capital repayments associated with the issue of Capital Notes to Australian investors which are denominated in Australian Dollars. Exchange gains and losses on the above hedge contract are recognised on the Statement of Financial Position in conjunction with the underlying liabilities to which the hedge relates. The exchange rate in relation to the above contract is A$1.00 = US$0.6475. The exchange rate at 31 December 2001 for a contract with a similar maturity profile was A$1.00 = US$0.5106.

Credit Risk

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of financial institutions. The Economic Entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. Credit risks in relation to unrecognised financial assets arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 31 December 2001 the Economic Entity's total credit risk exposure in respect thereof was A$ nil (US$ nil) (A$ nil (US$ nil) at 31 December 2000).

NOTE 32
NEW ACQUISITIONS

In December 2001, the Trust announced a transaction under which WEA, through a wholly owned subsidiary of Westfield America Limited Partnership, agreed to acquire nine regional shopping centres in the US from Richard E. Jacobs Group for US$756 million (A$1.46 billion). The transaction is expected to settle in the first quarter of 2002. The acquisition will be funded by: approximately US$40 million (A$76 million) in cash, the issuance of approximately US$210 million (A$400 million) of equity to the Richard E. Jacobs Group and the assumption of approximately US$506 million (A$980 million) of non-recourse mortgage debt. The cash consideration will be funded from the equity placement of A$275 million made in December 2001.

In January 2002 the Trust announced a transaction under which WEA, through a wholly owned subsidiary of Westfield America Limited Partnership, joined with Simon Property Group L.P. and The Rouse Company to acquire the assets and assume the liabilities of Rodamco North America N.V. (RNA). The assets to be acquired by the Trust, representing 14 shopping centres, are valued at approximately A$4.5 billion, (including the assumption of A$2.5 billion of debt). The transaction is expected to settle in the second quarter of 2002.

The acquisition and additional working capital will be funded through capital raisings totalling A$2.4 billion comprising:

- A$1.15 billion from an underwritten institutional placement of ordinary WAT units;
- A$200 million from a placement of ordinary WAT units with leading Dutch pension fund, Stichting Pensioenfonds ABP;
- A$900 million from Westfield Holdings Limited via a subscription for ordinary WAT units and common stock of WEA; and
- approximately A$150 million of ordinary WAT units from a retail offering which includes a priority offering to existing Members on a 1 for 4 basis at $1.61 by way of a prospectus. (Persons wishing to acquire units will need to complete the application form that will accompany the prospectus).

The above A$1.15 billion underwritten institutional placement of units was approved by Members of the Trust at a meeting held on the 22 February 2002. The balance of the funding is to be put to unit holders for approval at a further meeting of Members of the Trust to be held within the next two months.

NOTE 33
RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial period are set out below unless already disclosed elsewhere in these Financial Statements. The transactions referred to in (i) to (iv) below were outlined in the notices of the meetings of WAT held on 27 March 2001 and 29 June 2001.

(i) Acquisition of publicly held common shares in Westfield America, Inc.

On 15 February 2001, the Responsible Entity and WEA entered into an agreement and plan of merger ("Merger Agreement") relating to the acquisition by the Responsible Entity of all the outstanding Common Shares in WEA (excluding Common Shares owned by two subsidiaries of Westfield Holdings Limited ("WHL Group")) and the Trust for US$16.25 cash per Common Share ("Offer").

Pursuant to terms of the Merger Agreement, a meeting of the common shareholders of WEA, held on 28 September 2001, approved the implementation of a merger of WEA with a new subsidiary of WAT ("Merger"), with WEA as the surviving corporation.

The Merger became effective on 1 October 2001. In the Merger, all outstanding Common Shares of WEA (other than those owned by the WHL Group and the Trust) were cancelled and converted automatically to the right to receive US$16.25 per share in cash.

(ii) Co-operation Agreement

On 15 February 2001, the Responsible Entity and Westfield Holdings Limited ("WHL") entered into an agreement ("Co-operation Agreement") pursuant to which WHL agreed that it would prevent its subsidiaries that held shares in WEA from participating in the Offer (Westfield American Investments Pty Limited ("WAIPL") and Westfield Corporation, Inc. ("WCI")). WHL also agreed to cause its subsidiaries to vote any units in WAT held by them in favour of the resolutions that were put to meetings of the Members of WAT for the purpose of seeking approvals required in connection with the Offer, the Merger and associated transactions.

WAIPL holds 277,778 Series D Preferred Shares and 11,805,862 Common Shares in WEA. WCI holds 2,264,210 Common Shares in WEA.

Amendment to Series D Preferred Shares

Following the Merger and in accordance with the Co-operation Agreement, the Responsible Entity caused WEA to amend the terms of the Series D Preferred Shares held by WAIPL ("WAIPL Preferred Shares") such that:

(a) The holders of the WAIPL Preferred Shares are entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at 3% per annum thereafter (as compared to the current fixed dividend rate of 8.5% per annum on the Series D Preferred Shares) and (ii) the U.S. dollar equivalent of the distribution on the number of ordinary units in WAT into which the WAIPL Preferred Shares are then exchangeable.

(b) Each WAIPL Preferred Share is convertible into 10 Common Shares of WEA. On conversion, the holders of Common Shares will be entitled to the same rights as the holders of the common stock of WEA.

(c) Dividends in WEA are payable quarterly. If WEA's or WAT's earnings (before interest and tax) falls below 140% of consolidated fixed charges for any applicable quarter ("Fixed Charge Coverage Violation"), the holder of a WAIPL Preferred Share will, for the period being twice the number of quarters to which the Fixed Charge Coverage Violation relates, be entitled to receive a dividend equal to 150% of the dividend that would normally have been payable in respect of the quarter in which the Fixed Charge Coverage Violation occurred.

On 31 August 2002, WAIPL has the right to require WEA to redeem a number of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof, for cash up to US$10,004,000 ("Cash-Out Right").

Commencing in 2004 and each year thereafter, WAIPL will have the right to require WEA to redeem up to US$10,004,000 of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof (less, in the case of 2004, the amount with respect to which a Cash-Out Right had been exercised) (each, a "Put Right"). If WAIPL exercises a Put Right, WEA may elect to redeem the shares subject to that Put Right for cash or such number of units in WAT, the sale of which is sufficient to raise net proceeds for WAIPL equal to the liquidation preference of the WAIPL Preferred Shares and/or the WAIPL Preferred Shares that have been converted into Common Shares, whichever are subject to the Put Right.

The maximum aggregate amount which may be redeemed pursuant to the exercise of the Cash-Out Right and the Put Rights is US$50,000,040.

NOTE 33
RELATED PARTY TRANSACTIONS CONTINUED

Series G1 and Series H Special Options in the Trust

Following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, WEA, in consideration of the payment of US$171,051, received 277,778 Series G1 Special Options in WAT which were transferred to WAIPL. A total of 14,070,072 Series H Special Options in WAT were issued, of which 11,805,862 were issued to WAIPL and 2,264,210 to WCI. In consideration of the issue of the Series H Special Options, WAIPL paid US$83,908 and WCI US$16,092 to WAT.

A Series G1 Special Option may be exercised at any time after September 2003 or on such earlier date if certain specified events occur. A Series G1 Special Option may be exercised by the holder delivering to the Responsible Entity a WAIPL Preferred Share or the number of WEA Common shares into which a WAIPL Preferred Share has been converted.

If a Series G1 Special Option is exercised, 231.0883 Ordinary Units in WAT will be issued to the holder of the Series G1 Special Option. The ratio will be appropriately adjusted where, instead of delivering a WAIPL Preferred Share, the holder delivers the number of WEA Common Shares into which the same have been converted.

A Series H Special Option may be exercised by the holder delivering to the Responsible Entity a WEA Common Share. If a Series H Special Option is exercised, 20.3271 Ordinary Units in WAT will be issued to the holder of the Series H Special Option.

A holder of a Series G1 or Series H Special Option may not sell a Special Option unless it first notifies the Responsible Entity of its intention to do so and allows the Responsible Entity five business days to make an offer for the purchase thereof. If the holder of a Series G1 or Series H Special Option rejects the offer made by the Responsible Entity, for a period of 90 days after such five business day period has elapsed, it may not sell the Special Option (other than pursuant to an underwritten public offering) at a price less than 90% of the price offered by the Responsible Entity.

Each Series G1 and Series H Special Option is transferable but must be exercised (i) as part of the parcel entitling the holder to the issue of units which have a value greater than the amount which would require a disclosure document to be given to the holder in accordance with section 708(8) of the Corporations Act 2001 (Cwlth); and (ii) where applicable, pursuant to a US Securities Act exemption.

Units issued in WAT as a consequence of the exercise of the Series G1 or Series H Special Options will (i) rank for distributions of income in WAT from the date following the last day of the most recently completed dividend period for a WAIPL Preferred Share or common share transferred (as the case may be); and (ii) if allotted during an accrual period, participate in the distributable income of WAT in respect of that accrual period in the proportion that the part of the accrual period (calculated in days) for which the units rank for distribution bears to the total number of days in that accrual period. In all other respects the units to be allotted as a consequence of the exercise of the Series G1 or Series H Special Options will have the same rights as all other fully paid Ordinary Units on issue in WAT.

The Series G1 and Series H Special Options are not quoted on any stock exchange.

Series A and Series B Preferred Shares

WAT holds 940,000 Series A Preferred Shares ("Series A Preferred Shares") and 270,000 Series B Preferred Shares ("Series B Preferred Shares") in WEA. With respect to the Series A and Series B Preferred Shares, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, the terms of the Series A Preferred Shares and Series B Preferred Shares were amended to provide that they will be convertible into Common Shares with terms substantially the same as those of the existing Common Shares of WEA. The Series A Preferred Shares and Series B Preferred Shares were subordinated to the WAIPL Preferred Shares.

Other Preferred Shares

WAT also holds 138,889 Series D – 1 Preferred Shares and 477,778 Series E Preferred Shares in WEA. With respect to these preferred shares, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001 the terms of the Series D – 1 Preferred Shares and Series E Preferred Shares have been amended to be substantially the same as Common Stock of WEA (known as "Junior Preferred Shares"). Also, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001 416,667 Series D Preferred Shares in WEA previously held by WAT have been converted into Common Shares.

NOTE 33
RELATED PARTY TRANSACTIONS CONTINUED

Other Preferred Shares continued

The Junior Preferred Shares do not have preferential rights with respect to dividends. Each Junior Preferred Share is entitled to dividends equivalent to the amount declared with respect to ten Common Shares of WEA. The Junior Preferred Shares do not have a liquidation preference. Upon liquidation, dissolution or winding up of WEA, the Junior Preferred Shares are entitled to receive that portion of the assets of WEA legally available for distribution, after payment of all debts, other liabilities and any liquidation preference of preferred shares and will vote with the common stock on all matters requiring the vote of the common stock and otherwise as required by law. The Junior Preferred Shares are not redeemable by WEA.

As approved by Members at the meeting held on 29 June 2001, the Responsible Entity agreed to reimburse a US based institutional investor, that also holds preferred shares in WEA, WAIPL and WCI for their reasonable internal and external costs and expenses incurred in connection with the Offer and Merger and to indemnify them for any losses or liabilities (including certain tax liabilities) arising out of those transactions.

The Responsible Entity has also guaranteed the obligations of and amounts owing by Westfield America Limited Partnership to that US based institutional investor under certain circumstances.

Non-compete arrangements

Under the Co-operation Agreement, the Responsible Entity and WHL have amended non-compete arrangements between the WHL Group and WEA. Prior to the amendments the arrangements provided that, for so long as WHL or any of its subsidiaries is the advisor to WEA or the manager of its shopping centres, the WHL Group may not acquire, directly or indirectly any ownership interest in shopping centres or power centres in the United States ("Competitive Business"), or any entity which has an ownership interest in a Competitive Business, except in a number of limited situations. In accordance with approval obtained from Members on 29 June 2001, the non-compete arrangements were modified so that if an opportunity to acquire a Competitive Business arises which would be subject to the existing restrictions, the WHL Group is obliged to present the opportunity to the Board of Directors of WEA. If for any reason a majority of the independent directors of the Board of Directors of WEA (or, if the Board of Directors of WEA does not have independent directors, a majority of the external directors of the Board of Directors of the Responsible Entity) elects not to pursue that opportunity, the WHL Group will be permitted to attempt to acquire the Competitive Business. However, the WHL Group will not be permitted under any circumstances to own a regional shopping centre which directly competes with any regional shopping centre then owned by WEA and which is in that shopping centre's primary market area, unless the competing centre is part of a portfolio of properties in which the WHL Group acquires an interest.

(iii) Development and advisory agreements

WCI and Westfield US Advisory L.P. ("Advisor") provide management, advisory and development services to WEA. Under the terms of the agreements governing the provision of those services, certain matters including the termination of the agreements were required to be approved by the Responsible Entity and 75% of the independent directors of WEA. To accommodate possible changes to the board of WEA and in accordance with the approval obtained from Members at a meeting held on 29 June 2001, the agreements have been amended to provide that where WEA does not have independent directors any determination previously required to be made by such directors must be made by the Responsible Entity and 75% of the external directors of the Responsible Entity.

(iv) Stock Subscription Agreement

At the meeting held on 29 June 2001, Members also approved an amendment to the stock subscription agreement dated 29 May 1998 between WEA and the Responsible Entity. Under that agreement, the issue price for the new Common Shares acquired by WAT is based on the market price for WEA Common Shares as traded on the New York Stock Exchange ("NYSE") less a discount of 5%. On 15 October 2001, WEA ceased to be listed on the NYSE. Accordingly, the method of calculating the issue price for the new Common Shares has been modified (as the benchmark set by the NYSE is no longer available).

On an ongoing basis further investments by WAT in WEA, including under the stock subscription agreement, may be made at a subscription price that is benchmarked to the price at which WAT's Ordinary Units are traded on the ASX and in accordance with a methodology to ensure that relativity is maintained between the number of units on issue (or taken to be issued) in WAT and the number of WEA Common Shares held (or taken to be held) by WAT.

NOTE 33
RELATED PARTY TRANSACTIONS CONTINUED

(v) Further acquisitions of Common Shares in Westfield America, Inc.

In December 2001, the Responsible Entity announced the proposed acquisition of nine shopping malls in the US from The Richard E. Jacobs Group. This transaction was funded by an institutional placement of ordinary units in the Trust for A$275 million and subsequent subscription by the Responsible Entity of common shares in WEA in accordance with the subscription agreement between the parties dated 6 December 2001 ("Subscription Agreement"). In accordance with the terms of the Subscription Agreement the responsible Entity acquired 7,947,994.03 common shares in WEA at US$17.86 per common share.

(vi) WEA Distribution Reinvestment Plan

In relation to the dividends payable on WEA shares held by the Responsible Entity for WEA's second quarter distribution period, the Responsible Entity decided to participate in WEA's distribution reinvestment plan ("DRP"). Under the DRP holders of common stock and preferred stock in WEA were allowed to apply distributions to purchase newly issued common shares in WEA at a discount to their fair market value, not exceeding 5%. On 29 October 2001, the Responsible Entity elected to participate in WEA's DRP. As a result, during the period to 31 December 2001, the Responsible Entity received 2,733,788.76 common shares in WEA at a weighted average cost of US$18.18 as its second and third quarter 2001 dividend for its common shares of WEA and its junior preferred shares of WEA. On 29 January 2002, the Responsible Entity provided notice that it would not participate in WEA's DRP in respect of WEA's fourth quarter 2001 dividend.

(vii) Other

(a) Property management fees amounting to US$24.444 million ($47.189 million) (US$21.834 million ($36.066 million) for the year ended 31 December 2000) were payable by the Economic Entity under normal commercial terms and conditions to the WHL Group in respect of the current financial year.

(b) During the financial year, the Economic Entity paid, under normal commercial terms and conditions, US$198.207 million ($388.185 million) (US$118.596 million ($213.761million) for the year ended 31 December 2000) to the WHL Group in respect of expansion and redevelopment costs.

(c) During the financial year, the Economic Entity received interest amounting to US$nil million ($nil million) (US$6.646 million ($10.978 million) for the year ended 31 December 2000) in respect of a participating loan to WHL Group entities.

(d) Advisory and Responsible Entity's Service Fees

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Advisory Fee paid or due and payable to Associates of the Responsible Entity	12.314	11.273	23.773	18.620
Responsible Entity's Service Fee paid or due and payable to the Responsible Entity	–	–	–	–

WEA has engaged Westfield U.S. Advisory L.P. ("Advisor") to provide information, advice and assistance to WEA and to undertake certain duties and responsibilities on behalf of, and subject to, the supervision of WEA. The Advisor will be paid an annual Advisory Fee equal to the lesser of 0.55% of the net equity value of WEA or, 25% of the annual Funds From Operations before Advisory Fee (of US$215.265 million) of WEA in excess of a base amount of Funds From Operations (US$164.162 million for the year ended 31 December 2001) as adjusted from time to time to reflect new issues of Common Stock. The term "Funds From Operations" means net income/(loss) (computed in accordance with generally accepted accounting principles in the United States) ("GAAP") excluding gains (or losses) from debt restructuring and sales of property, plus real estate related depreciation and amortisation and after adjustments for consolidated partnerships and joint ventures.

Under the Constitution of WAT, the Responsible Entity is entitled to an annual fee of 0.55% of the net asset value of WAT. In addition, the Responsible Entity has agreed that this fee payable by WAT will be reduced by an amount equivalent to the proportion of the Advisory Fee paid by WEA to the Advisor which is attributable to WAT's ownership interest in WEA.

The Responsible Entity and the Advisor agreed at the time of the listing of WAT to forgo the entitlement to their Fees for the period from 28 March 1996, the inception of WAT, to 31 December 1997. In addition, the Responsible Entity has agreed to forgo its entitlement to the Service Fee being the amount in excess of the Trust's ownership interest proportion of the Advisory Fee paid by WEA to the Advisor, for the year ended 31 December 2001.

NOTE 33
RELATED PARTY TRANSACTIONS CONTINUED

(e) WEA Directors' Remuneration

R L Furman earned directors' fees of US$65,000 ($125,483), H Huizinga and F T Vincent Jr each earned directors' fees of US$55,000 ($106,178), B Marcus and L A Silverstein each earned directors' fees of US$35,000 ($67,568) in respect of the year ended 31 December 2001.

R L Furman, H Huizinga, B Marcus, L A Silverstein and F T Vincent Jr each received directors' fees of US$20,000 ($33,036) and WEA Common Stock at a market value of US$20,000 ($33,036) and F G Hilmer received directors' fees of US$10,000 ($16,518) and WEA Common Stock at a market value of US$20,000 ($33,036) in respect of the year ended 31 December 2000.

The executive directors of WEA, F P Lowy, D H Lowy, P S Lowy, S M Lowy, R E Green and M Stefanek received no directors' fees in respect of the years ended 31 December 2001 and 2000.

Other than as stated above, the Directors of WEA did not receive any remuneration from WAT or its controlled entities.

The aggregate number of WEA Common Stock held directly by Directors of WEA at balance date was nil (141,396 at 31 December 2000).

NOTE 34
FINANCIAL REPORTING BY SEGMENTS

The Economic Entity operates solely as a retail property investor in the United States.

NOTE 35
DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES

		31 Dec 2001 Interest		31 Dec 2000 Interest	
Name of entity	Notes	Beneficial * %	Consolidated %	Beneficial * %	Consolidated %
Parent Entity					
Westfield America Trust	a d	100.00	100.00	100.00	100.00
Consolidated Controlled Entities					
Westfield America, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America G.P., Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America GP LLC	b d e	81.46	100.00	58.15	100.00
Westfield America M.S., Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of Meriden Square, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of Annapolis, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of Bonita, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of Missouri, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of Vancouver, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America of West Covina, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield America – Wheaton, Inc.	b d e	81.46	100.00	58.15	100.00
WEA Crestwood Plaza LLC	b d e	81.46	100.00	58.15	100.00
WEA CT Houses LLC	b d e	81.46	100.00	58.15	100.00
WEA Meriden Square LLC	b d e	81.46	100.00	58.15	100.00
WEA Meriden Square No.2 LLC	b d e	81.46	100.00	58.15	100.00
WEA Meriden Square No.3 LLC	b d e	81.46	100.00	58.15	100.00
WEA Meriden Square, Inc.	b d e	81.46	100.00	58.15	100.00
WEA North County Fair LLC	b d e	81.46	100.00	58.15	100.00
WEA NY Houses LLC	b d e	81.46	100.00	58.15	100.00
WEA Valley Fair LLC	b d e	–	–	58.15	100.00
WEA Valley Fair UTC LLC	b d e	–	–	58.15	100.00
Annapolis Land LLC	b d e	81.46	100.00	58.15	100.00
Annapolis Mall LLC	b d e	81.46	100.00	58.15	100.00
Annapolis Manager LLC	b d e	81.46	100.00	58.15	100.00
Annapolis Shoppingtown LLC	b d e	81.46	100.00	58.15	100.00
Capital Mall Company	b d e	81.46	100.00	58.15	100.00
Capital Mall Land LLC	b d e	81.46	100.00	58.15	100.00
Capital Shopping Centre, Inc.	b d e	81.46	100.00	58.15	100.00
Capital Shopping Centre LLC	b d e	81.46	100.00	58.15	100.00
CMF, Inc.	b d e	81.46	100.00	58.15	100.00
Connecticut Post Mall LLC	b d e	81.46	100.00	58.15	100.00
Connecticut Post Mall No.2 LLC	b d e	81.46	100.00	58.15	100.00
Crestwood Plaza, Inc.	b d e	81.46	100.00	58.15	100.00
Downtown Plaza LLC	b d e	81.46	100.00	58.15	100.00
Eagle Rock Manager LLC	b d e	81.46	100.00	58.15	100.00
Eagle Rock Plaza LLC	b d e	81.46	100.00	58.15	100.00
Eagle Rock Properties, Inc.	b d e	81.46	100.00	58.15	100.00
Eastland Manager LLC	b d e	81.46	100.00	58.15	100.00
Eastland Shopping Centre LLC	b d e	81.46	100.00	58.15	100.00
Enfield Land LLC	b d e	81.46	100.00	58.15	100.00

NOTE 35
DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES CONTINUED

		31 Dec 2001 Interest		31 Dec 2000 Interest	
Name of entity	Notes	Beneficial * %	Consolidated %	Beneficial * %	Consolidated %
Enfield Square, Inc.	b d e	81.46	100.00	58.15	100.00
Enfield Square LLC	b d e	81.46	100.00	58.15	100.00
Fox Hills Mall, Inc.	b d e	81.46	100.00	58.15	100.00
FH Financing LLC	b d e	81.46	100.00	58.15	100.00
Horton Plaza, Inc.	b d e	81.46	100.00	58.15	100.00
Horton Land LLC	b d e	81.46	100.00	58.15	100.00
Meriden Square #1 LLC	b d e	81.46	100.00	58.15	100.00
Meriden Square #2 LLC	b d e	81.46	100.00	58.15	100.00
Meriden Square #3 LLC	b d e	81.46	100.00	58.15	100.00
Mid Rivers, Inc.	b d e	81.46	100.00	58.15	100.00
Mid Rivers Land, Inc.	b d e	81.46	100.00	–	–
Mid Rivers Land LLC	b d e	81.46	100.00	58.15	100.00
Mid Rivers Land LLC II	b d e	81.46	100.00	–	–
Mid Rivers Mall LLC	b d e	81.46	100.00	58.15	100.00
Mid Rivers Office Development I, Inc.	b d e	81.46	100.00	58.15	100.00
Mission Valley Centre LLC	b d e	81.46	100.00	58.15	100.00
Mission Valley Manager LLC	b d e	81.46	100.00	58.15	100.00
Mission Valley Finance Corporation	b d e	81.46	100.00	58.15	100.00
Montgomery Mall Properties, Inc.	b d e	81.46	100.00	58.15	100.00
Northwest Plaza, Inc.	b d e	81.46	100.00	58.15	100.00
Northwest Plaza LLC	b d e	81.46	100.00	58.15	100.00
Oakridge Mall, Inc.	b d e	81.46	100.00	58.15	100.00
Parkway Plaza, Inc.	b d e	81.46	100.00	58.15	100.00
Plaza Bonita, Inc.	b d e	81.46	100.00	58.15	100.00
Plaza Camino Real LLC	b d e	81.46	100.00	58.15	100.00
Plaza West Covina, Inc.	b d e	81.46	100.00	58.15	100.00
Residential Rental and Investments, Inc.	b d e	81.46	100.00	58.15	100.00
Sargent Drive Acquisition LLC	b d e	81.46	100.00	–	–
Sargent Drive Holding LLC	b d e	81.46	100.00	–	–
South County Center LLC	b d e	81.46	100.00	58.15	100.00
South County Post Office LLC	b d e	81.46	100.00	58.15	100.00
South County Properties, Inc.	b d e	81.46	100.00	58.15	100.00
South Shore Mall LLC	b d e	81.46	100.00	58.15	100.00
South Shore Manager LLC	b d e	81.46	100.00	58.15	100.00
SSM Land LLC	b d e	81.46	100.00	58.15	100.00
Topanga Center, Inc.	b d e	81.46	100.00	58.15	100.00
Trumbull Mall LLC	b d e	81.46	100.00	58.15	100.00
Trumbull Shopping Centre # 2 LLC	b d e	81.46	100.00	58.15	100.00
Trumbull Department Stores, Inc.	b d e	81.46	100.00	58.15	100.00
Vancouver Mall LLC	b d e	81.46	100.00	58.15	100.00
WAP HC, Inc.	b d e	81.46	100.00	58.15	100.00
West County Centre LLC	b d e	81.46	100.00	58.15	100.00
West Park Mall, Inc.	b d e	81.46	100.00	58.15	100.00
West Park Mall LLC	b d e	81.46	100.00	58.15	100.00

NOTE 35
DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES CONTINUED

		31 Dec 2001 Interest		31 Dec 2000 Interest	
Name of entity	Notes	Beneficial * %	Consolidated %	Beneficial * %	Consolidated %
West Park Shopping Centre, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield Garden State LLC	b d e	81.46	100.00	58.15	100.00
Westfield Independence LLC	b d e	81.46	100.00	58.15	100.00
Westfield Management, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield MerchantWired, Inc.	b d e	81.46	100.00	–	–
Westfield Mission Valley Corporation	b d e	81.46	100.00	58.15	100.00
Westfield Subsidiary REIT 1, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield Subsidiary REIT 2, Inc.	b d e	81.46	100.00	58.15	100.00
Westfield WTC LLC	b d e	81.46	100.00	–	–
Westfield WTC Holding LLC	b d e	81.46	100.00	–	–
Westland Milford Properties, Inc.	b d e	81.46	100.00	58.15	100.00
Westland Partners, Inc.	b d e	81.46	100.00	58.15	100.00
Westland Properties, Inc.	b d e	81.46	100.00	58.15	100.00
Westland Town Centre LLC	b d e	81.46	100.00	58.15	100.00
Wheaton Plaza No.1 LLC	b d e	81.46	100.00	58.15	100.00
WPI Meriden Square, Inc.	b d e	81.46	100.00	58.15	100.00
Annapolis Mall Limited Partnership	c d e	81.46	100.00	58.15	100.00
The Connecticut Post Limited Partnership	c d e	81.46	100.00	58.15	100.00
EWH Escondido Associates L.P.	c d e	81.46	100.00	58.15	100.00
Fox Hills Mall L.P.	c d e	81.46	100.00	58.15	100.00
Horton Plaza L.P.	c d e	81.46	100.00	58.15	100.00
Montgomery Mall Limited Partnership	c d e	–	–	58.15	100.00
Montgomery Mall Condominium Limited Partnership	c d e	–	–	58.15	100.00
Meriden Square Partnership	c d e	81.46	100.00	58.15	100.00
North County Fair L.P.	c d e	81.46	100.00	58.15	100.00
Oakridge Mall L.P.	c d e	81.46	100.00	58.15	100.00
Parkway Plaza L.P.	c d e	81.46	100.00	58.15	100.00
PCRGP L.P.	c d e	81.46	100.00	58.15	100.00
Plaza Bonita L.P.	c d e	81.46	100.00	58.15	100.00
Plaza West Covina L.P.	c d e	81.46	100.00	58.15	100.00
Promenade L.P.	c d e	81.46	100.00	58.15	100.00
Santa Anita Fashion Park L.P.	c d e	81.46	100.00	58.15	100.00
Solano Mall L.P.	c d e	81.46	100.00	58.15	100.00
Topanga Plaza L.P.	c d e	81.46	100.00	58.15	100.00
WEA Palm Desert L.P.	c d e	81.46	100.00	58.15	100.00
WEA Valley Fair L.P.	c d e	81.46	100.00	–	–
WEA Valley Fair UTC L.P.	c d e	81.46	100.00	–	–
Westfield America Investor L.P.	c d e	81.46	100.00	58.15	100.00
Westfield America Limited Partnership	c d e	81.46	100.00	58.15	100.00
Westfield Sacramento Acquisition Associates L.P.	c d e	81.46	100.00	–	–
West Park Partners L.P.	c d e	81.46	100.00	58.15	100.00
West Valley L.P.	c d e	81.46	100.00	58.15	100.00
Westland Shopping Centre L.P.	c d e	81.46	100.00	58.15	100.00

NOTE 35
DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES CONTINUED

		31 Dec 2001 Interest		31 Dec 2000 Interest	
Name of entity	Notes	Beneficial * %	Consolidated %	Beneficial * %	Consolidated %
Westland South Shore Mall L.P.	c d e	81.46	100.00	58.15	100.00
Wheaton Plaza Regional Shopping Centre L.L.P.	c d e	81.46	100.00	58.15	100.00
Vancouver Mall II Limited Partnership	c d e	81.46	100.00	57.86	99.50
Anita Associates	c d e	73.05	89.68	52.15	89.68
Hahn UPI	c d e	64.64	79.36	46.14	79.36
Independence Mall Associates Limited Partnership	c d e	69.24	85.00	49.42	85.00
Independence Service, Inc.	b d e	68.55	84.15	–	–
Mission Valley Partnership	c d e	61.74	75.80	44.07	75.80
Mission Valley Service, Inc.	c d e	61.12	75.04	–	–
Mid Rivers Limited Partnership	c d e	27.15	33.33	19.38	33.33
Santa Anita Service, Inc.	b d e	72.32	88.78	–	–
UPI Associates	c d e	14.21	17.44	10.14	17.44
WALP Service, Inc.	b d e	73.29	89.97	–	–
Westfield Independence Mall Limited Partnership	c d e	16.29	20.00	34.89	60.00
Westfield Independence Mall Limited Partnership No.2	c d e	32.58	40.00	7.27	12.50
Equity Accounted Joint Venture Entities					
MBM Associates – New	c d e	0.81	1.00	0.58	1.00
MerchantWired LLC	b d e	7.87	9.66	–	–
Montgomery Mall LLC	b d e	40.73	50.00	–	–
Montgomery Mall Borrower LLC	b d e	40.73	50.00	58.15	100.00
Montgomery Mall Condo LLC	b d e	40.73	50.00	–	–
Montgomery Mall of Maryland LLC	b d e	40.73	50.00	58.15	100.00
Montgomery Service, Inc.	b d e	40.32	49.50	–	–
Owensmouth Office Associates LTD	c d e	17.31	21.25	12.36	21.25
Plaza Camino Real	c d e	32.58	40.00	23.26	40.00
Plaza Camino Service, Inc.	b d e	32.26	39.60	–	–
University Towne Centre LLC	b d e	40.73	50.00	29.07	50.00
V F Mall LLC	b d e	40.73	50.00	29.07	50.00
Valley Fair UTC LLC	b d e	40.73	50.00	29.07	50.00
VF/UTC Service, Inc.	b d e	40.32	49.50	–	–
Westfield Paramus Holdings LLC 1	c d e	40.32	49.50	28.78	49.50
Westfield Paramus Holdings LLC 2	c d e	40.73	50.00	29.07	50.00
Westland Garden State Plaza Limited Partnership	c d e	40.73	50.00	29.07	50.00
West Valley Development LLC	b d e	34.62	42.50	24.71	42.50
West Valley Partnership	c d e	34.62	42.50	24.71	42.50

Notes

a Trust.

b Company – incorporated in the United States.

c Partnership – formed in the United States.

d Principal activity – property investment.

e Business entity audited by affiliates of the auditors of the Parent Entity.

** Beneficial interest in underlying controlled and equity accounted entities reflects WAT's ownership interest in WEA excluding certain convertible redeemable preference shares issued by WEA which have been accounted for as borrowings in these financial statements. The prima facie interest of 81.46% (2000 – 58.15%) exclusive of the convertible redeemable preference shares is equivalent to 75.94% (2000 – 49.73%) inclusive of the convertible redeemable preference shares.*

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 36				
NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Components of cash assets				
Cash assets #	53.8	44.7	83.3	70.6
	53.8	44.7	83.3	70.6

 # Includes restricted cash assets representing funds totalling US$11.1 million ($21.7 million) (US$19.1 million ($34.4 million) at 31 December 2000) set aside to pay operating and capital expenditures on properties which are collateral for secured loan facilities and funds to be utilised in the redevelopment of centres.

(b) Reconciliation of cash flows from operating activities to earnings from ordinary activities after withholding tax but before outside equity interests				
Net cash in/(out) flows from operating activities	423.3	378.6	773.0	625.0
Currency translation differences	–	–	–	0.1
Bad debt provision	0.4	1.2	0.5	1.9
Borrowing costs expense	(221.6)	(203.2)	(427.6)	(338.3)
United States Withholding Tax expense relating to ordinary activities	(11.2)	(7.7)	(18.9)	(12.2)
(Decrease)/Increase in other net assets attributable to operating activities	(11.3)	(1.4)	(22.1)	(1.8)
Earnings from Ordinary Activities After Withholding Tax but before Outside Equity Interests	179.6	167.5	304.9	274.7

(c) Non cash financing and investing activities

Sale of Property Investment: proceeds from sale of property investment totalling US$140.5 million ($232.2 million), being a 50% interest in Montgomery Mall, comprises US$62.1 million ($121.5 million) in cash and US$78.4 million ($110.7 million) of borrowings assumed.

(d) Financing facilities

Committed financing facilities available to the Economic Entity are as follows:

Total financing facilities #	2,747.7	2,612.7	5,381.3	4,709.2
Amounts utilised *	(2,461.1)	(2,366.6)	(4,820.0)	(4,265.6)
Available financing facilities #	286.6	246.1	561.3	443.6
Cash assets (refer Note 36 (a))	53.8	44.7	83.3	70.6
Total available financing facilities	340.4	290.8	644.6	514.2

 # Financing facilities comprise :

(a) term loans from banks and financial institutions in respect of specific retail property investments; and

(b) bank facilities for general corporate and property redevelopment purposes.

Available financing facilities comprise term loans for general corporate and property redevelopment purposes (refer details as set out in Note 12) and undrawn bank facilities as set out below:

(i) a secured revolving credit facility of US$441.3 million ($864.3 million) (US$450.0 million ($811.1 million) secured at 31 December 2000), with a consortium of banks. The facility is an interest only floating rate facility maturing in December 2003. At 31 December 2001, amounts available under this facility totalled US$244.2 million ($478.3 million) (31 December 2000 US$217.0 million ($391.1 million)).

(ii) an unsecured revolving credit facility of $30.0 million (US$15.3 million) (31 December 2000 $30.0 million (US$16.6 million)) with a bank. The facility is an interest only floating rate facility maturing in March 2002. At 31 December 2001, amounts available under this facility totalled $30.0 million (US$15.3 million) (31 December 2000 $30.0 million (US$16.6 million)).

(iii) an unsecured revolving credit facility of $70.0 million (US$35.7 million) reducing to $45.0 million (US$23.0 million) on 30 June 2002 (31 December 2000 $70.0 million (US$38.8 million)) with a bank. This facility is an amortising floating rate facility with an ultimate maturity date of 30 June 2003. At 31 December 2001, amounts available under this facility totalled $53.0 million (US$27.1 million) (31 December 2000 $22.5 million (US$12.5 million)).

** Amounts utilised have been translated at exchange rates ruling at balance date and do not include the effects of currency hedge contracts.*

STATEMENTS OF FINANCIAL PERFORMANCE & DISTRIBUTION

for the year ended 31 December 2001

	Note 1(k)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue from Ordinary Activities					
Interest Income		2.1	0.2	4.1	0.3
Dividends and distributions from Controlled Entities		118.7	84.7	193.7	131.6
Revenues from Ordinary Activities		120.8	84.9	197.8	131.9
Expenses from Ordinary Activities					
Legal Fees		0.0	0.1	0.0	0.1
Auditors' Remuneration	11	0.1	0.1	0.2	0.1
Trustee/Custodian Fees		0.0	0.0	0.0	0.0
Other Expenses		0.8	0.6	1.7	1.1
Expenses from Ordinary Activities		0.9	0.8	1.9	1.3
Borrowing Costs Expense					
Interest and Other Borrowing Costs		4.1	1.5	8.0	2.7
Earnings from Ordinary Activities Before Withholding Tax		115.8	82.6	187.9	127.9
Less – United States Withholding Tax thereon		9.6	7.0	14.5	10.9
Earnings from Ordinary Activities After Withholding Tax	17(b)	106.2	75.6	173.4	117.0
Add – Amounts Transferred from Reserves		22.2	14.7	39.0	24.8
Distributable Income		128.4	90.3	212.4	141.8
Increase (Decrease) in Asset Revaluation Reserve	8	166.0	84.6	524.5	407.0
Increase (Decrease) in Option Premium Reserve	8	0.7	2.6	1.5	5.4
Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity		166.7	87.2	526.0	412.4
Total Changes in Equity other than those resulting from Transactions with Owners as Owners	10	295.1	177.5	738.4	554.2

	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
STATEMENT OF DISTRIBUTION		
Distribution paid/payable	212.4	141.8
Distribution per Unit (cents)	14.01	13.01

STATEMENT OF FINANCIAL POSITION

as at 31 December 2001

	Note 1(k)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
CURRENT ASSETS					
Cash assets		0.3	0.7	0.6	1.3
Receivables	2	36.1	25.3	61.6	39.4
Total Current Assets		36.4	26.0	62.2	40.7
NON-CURRENT ASSETS					
Investments	3	1,913.2	1,170.1	3,733.9	2,104.6
Total Non-Current Assets		1,913.2	1,170.1	3,733.9	2,104.6
Total Assets		1,949.6	1,196.1	3,796.1	2,145.3
CURRENT LIABILITIES					
Payables	4	77.8	48.6	130.3	77.0
Total Current Liabilities		77.8	48.6	130.3	77.0
NON-CURRENT LIABILITIES					
Interest-bearing liabilities:					
Borrowings	5	8.7	26.3	17.0	47.5
Redeemable Converting Preference Units	6	51.1	–	100.0	–
Total Non-Current Liabilities		59.8	26.3	117.0	47.5
Total Liabilities		137.6	74.9	247.3	124.5
Net Assets		1,812.0	1,121.2	3,548.8	2,020.8
EQUITY INTERESTS					
Issued Capital	7	1,500.7	976.6	2,346.5	1,344.5
Reserves	8	311.3	144.6	1,202.3	676.3
Retained Earnings	9	0.0	0.0	0.0	0.0
Total Equity Interests		1,812.0	1,121.2	3,548.8	2,020.8

STATEMENT OF CASH FLOWS

for the year ended 31 December 2001

	Note 1(k)	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments in the course of operations		(1.7)	(2.4)	(3.4)	(4.2)
Dividends and distributions from controlled entities		106.4	81.1	169.9	125.7
Interest received		2.1	0.2	4.1	0.3
Cash In/(Out) Flows from Operating Activities	17(b)	106.8	78.9	170.6	121.8
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for the purchase of interests in controlled entity		(552.4)	(145.2)	(1,059.2)	(251.2)
Cash In/(Out) Flows from Investing Activities		(552.4)	(145.2)	(1,059.2)	(251.2)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of capital to Members (net of costs)		522.5	143.1	999.0	246.1
Borrowings – proceeds		36.1	15.8	73.0	28.5
Interest and other borrowing costs paid		(2.3)	–	(4.3)	–
Distributions paid		(103.2)	(81.1)	(167.0)	(127.3)
United States Withholding Tax paid		(7.9)	(11.2)	(12.9)	(17.4)
Cash In/(Out) Flows from Financing Activities		445.2	66.6	887.8	129.9
Net Cash In/(Out) Flows for the Year		(0.4)	0.3	(0.8)	0.5
Cash Assets at Beginning of the Year		0.7	0.4	1.3	0.6
Exchange gains/(losses) on cash assets brought forward at beginning of the year		–	–	0.1	0.2
Cash Assets at End of the Year	17(a)	0.3	0.7	0.6	1.3

NOTE 1
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth), applicable Australian Accounting Standards and other mandatory professional reporting requirements. The Financial Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except where indicated.

The accounting policies adopted are in all material respects consistent with those applied in the previous year except as otherwise stated.

(b) Foreign Currencies

Transactions in foreign currencies are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the Parent Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

Except for certain specific hedges, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the earnings before withholding tax for the financial year. Transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the effective hedge contract.

(c) Revenue from Ordinary Activities

Dividends and capital distributions paid and payable by controlled entities to the Parent Entity have, following appropriate adjustments to comply with applicable Australian Accounting Standards and requirements of the Constitution, been recorded as income in the Financial Statements of the Parent Entity on an accruals basis.

(d) Expenses from Ordinary Activities

Expenses from Ordinary Activities are brought to account on an accruals basis.

(e) Income Tax

Under current Income Tax legislation, the Parent Entity is not liable to income tax including capital gains tax, provided it distributes an amount at least equal to its net accounting income (as defined in the Constitution) for the year.

(f) Investments

Investment in a controlled entity is revalued at each balance date to reflect the Parent Entity's proportionate interest in the underlying net asset value of the controlled entity.

(g) Cash Flows

For the purposes of the Statement of Cash Flows, cash assets includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(h) Financial Information Expressed in United States Dollars

In addition to all amounts reported in Australian Dollars ("A$" or "$"), where appropriate, United States Dollar amounts or equivalent amounts ("US$") have also been provided in respect of certain assets, liabilities, revenue and expenditure.

The amounts reported in US$ have been translated at the hedge rate in respect of specifically hedged items, the average rate in respect of all other Statement of Financial Performance items and the year end rate in respect of all other Statement of Financial Position items.

NOTE 1
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES CONTINUED

(i) Derivatives and Other Financial Instruments

The Parent Entity's activities expose it to changes in foreign exchange rates. There are policies and limits approved by the Board of Directors of the Responsible Entity in respect of the usage of derivative and other financial instruments to hedge cashflows subject to currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

Financial Assets

Investments

Investment in a controlled entity is revalued at each balance date to reflect the Parent Entity's proportionate interest in the underlying net asset value of the controlled entity. Investments in unlisted shares and securities are carried at cost. Terms and conditions are set out in Note 3.

Unrecognised Derivative Financial Instruments

Forward Exchange Contracts

The Parent Entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of a portion of its foreign currency denominated future earnings. The value of the forward exchange contracts is brought to account in conjunction with the income to which the hedges relate. Details are set out in Note 13.

The Parent Entity does not trade in derivative financial instruments for speculative purposes. In conjunction with its advisers, the Parent Entity continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Disclosure of Market Values

The applicable market rates and prices in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(j) Borrowing Costs Expense

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on bank overdrafts and short-term borrowings.

(k) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

(l) Comparative Figures

Except as noted, certain comparative figures have been restated in order to comply with the current year's presentation of the Financial Report.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2001

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 2 RECEIVABLES				
Other debtors	0.3	0.3	0.7	0.5
United States Withholding Tax receivable	1.0	2.4	1.9	3.6
Amounts due from Westfield America, Inc.	34.8	22.6	59.0	35.3
	36.1	25.3	61.6	39.4
NOTE 3 INVESTMENTS				
79,534,773 (2000: 42,802,011) unlisted (2000: listed) Common Shares in Westfield America, Inc. ("WEA"), a controlled entity, at Responsible Entity's valuation.	1,673.3	855.2	3,340.8	1,587.8
Investment in unlisted shares in WEA at cost*	235.5	310.5	386.6	510.3
Investment in unlisted securities in WEA at cost**	4.4	4.4	6.5	6.5
Total investment in WEA, at Responsible Entity's valuation based on the proportionate interest in the underlying net asset value of WEA.	1,913.2	1,170.1	3,733.9	2,104.6
Movement in investments				
Balance at beginning of the year	1,170.1		2,104.6	
Additions	554.9		1,065.8	
Revaluation increment	188.2		563.5	
Balance at end of the year	1,913.2		3,733.9	

**Represents*

(a) 1,033,334 US$180.00 Convertible Redeemable Preference Shares in WEA, (416,667 issued on 12 August 1998 ("Series D Preferred Shares"), 138,889 issued on 23 December 1998 ("Series D-1 Preferred Shares") and 477,778 issued on 16 August 1999 ("Series E Preferred Shares")).

Following the Merger described in Note 2 of the Consolidated Financial Report, and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, the Series D Preferred Shares were converted into Common Shares.

Following the Merger, and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001 the terms of the Series D-1 Preferred Shares and Series E Preferred Shares have been amended to be substantially the same as Common Stock of WEA (known as "Junior Preferred Shares").

The Junior Preferred Shares do not have preferential rights with respect to dividends. Each Junior Preferred Share is entitled to dividends equivalent to the amount declared with respect to ten Common Shares of WEA. The Junior Preferred Shares do not have a liquidation preference. Upon liquidation, dissolution or winding up of WEA, the Junior Preferred Shares are entitled to receive that portion of the assets of WEA legally available for distribution, after payment of all debts, other liabilities and any liquidation preference of preferred shares and will vote with the common stock on all matters requiring the vote of the common stock and otherwise as required by law. The Junior Preferred Shares are not redeemable by WEA.

(b) 940,000 Series A Preference Shares entitled to an annual dividend per share equivalent to the greater of US$8.50 ($15.78) or the annual dividend paid in respect of 6.2461 WEA Common Shares and 270,000 Series B Preference Shares entitled to an annual dividend per share equivalent to the greater of US$8.50 ($15.78) or the annual dividend paid in respect of 6.6667 WEA Common Shares. WAT is entitled to be paid US$100.00 ($195.85) per Preference Share upon liquidation. The Series A and Series B Preference Shares may be redeemed at the option of WEA any time after 1 July 2003 and 21 May 2004 respectively, upon payment of US$100.00 ($195.85) per share together with any accrued dividend.

Following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, the terms of the Series A Preferred Shares and Series B Preferred Shares were amended to provide that they will be convertible into Common Shares with terms substantially the same as those of the existing Common Shares of WEA. The Series A Preferred Shares and Series B Preferred Shares were subordinated to the WAIPL Preferred Shares.

The Series A Preferred Shares and the Series B Preferred Shares are convertible at the option of the holder at any time after 30 September 2003.

Under arrangements with a US based institutional investor in connection with the Merger as described in Note 2 of the Consolidated Financial Report, WAT must cause the Series A Preferred Shares and Series B Preferred Shares to convert into common shares with terms substantially the same as those existing in WEA no later than 60 days after receipt by WAT of a notice from that investor demanding conversion. The investor may not give such notice before 30 September 2003.

*** Represents options to acquire:*

(a) 6,246,096 WEA Common Shares at an exercise price of US$16.01 per share. The options are exercisable during the period ending on 1 July 2016.

(b) 2,089,552 WEA Common Shares at an exercise price of US$15.00 per share. The options are exercisable during the period ending on 21 May 2017.

(c) 2,840,000 WEA Common Shares at an exercise price of US$19.42 per share. The options are exercisable during the period ending on 1 June 2025.

WEA was delisted from the New York Stock Exchange in October 2001.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2001

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 4 PAYABLES				
Trade creditors	3.3	0.9	6.5	1.7
Interest Payable on RCP Units	1.5	–	3.0	–
Distribution payable to Members	73.0	47.7	120.8	75.3
	77.8	48.6	130.3	77.0
NOTE 5 BORROWINGS				
Bank loans – unsecured (refer Note 17(c))	8.7	26.3	17.0	47.5
NOTE 6 INTEREST-BEARING LIABILITIES: REDEEMABLE CONVERTING PREFERENCE UNITS				
Redeemable Converting Preference Units	51.1	–	100.0	–

In April and May 2001, WAT issued 1,000,000 Redeemable Converting Preference Units ("RCP Units") at an application price of $100.00 per unit. Each RCP Unit has the right to receive distributions ahead of all other classes of units. Distributions on each RCP Unit will be equal to 9% per annum.

The Responsible Entity may redeem the RCP Units at any time up until 28 February 2003. If they are still outstanding, they will automatically convert into Ordinary Units at a 2% discount to market value. RCP Units may be redeemed at their application price, plus any accrued but unpaid distributions, at any time at the option of the Responsible Entity. The holders of RCP Units are not entitled to require the Responsible Entity to redeem their RCP Units.

Upon winding up of the Trust, the RCP Units, in priority to all other classes of units, will receive on a pro rata basis any amounts available for distribution to Members, the following amounts (a) any unpaid distributions owing in respect of an RCP Unit; and (b) the aggregate amount of the application price of the RCP Units.

	Number of Units	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 7 ISSUED CAPITAL					
Ordinary Units on Issue					
Ordinary Units of $1.00 each Fully Paid					
Balance at beginning of the year	1,181,711,483	975.4	836.9	1,342.7	1,104.7
Placement – net of costs					
allotment date – 31 August 2000	–	–	85.3	–	148.5
allotment date – 30 March 2001	310,500,000	231.7	–	440.3	–
allotment date – 11 Dec 2001	165,670,000	140.4	–	271.9	–
DRP units – net of costs					
allotment date – 28 February 2000	–	–	25.6	–	41.5
allotment date – 31 August 2000	–	–	27.6	–	48.0
allotment date – 28 February 2001	28,804,946	23.1	–	43.8	–
allotment date – 31 August 2001	53,883,047	48.3	–	91.0	–
Conversion of PPUs – net of costs					
allotment date – 29 June 2001	107,844,754	81.0	–	155.6	–
Balance at end of the year	1,848,414,230	1,499.9	975.4	2,345.3	1,342.7

On 28 February 2001, 28,804,946 Ordinary Units were issued at $1.52 per unit fully paid and on 31 August 2001, 53,883,047 Ordinary Units were issued at $1.70 per unit fully paid pursuant to WAT's Distribution Reinvestment Plan ("DRP"). DRP units issued during the year ranked for distribution from the first day of the month immediately following their allotment. On 30 March 2001, a placement of 310,500,000 Ordinary Units was made at $1.45 per unit fully paid. These units ranked for distribution from 1 April 2001. On 29 June 2001, 107,844,754 units were issued at $1.44 per unit fully paid as part of the Series A Partly Paid Unit ("PPU") conversion into Ordinary Units. These units ranked for distribution from 1 July 2001. On 11 December 2001, 165,670,000 units were issued at $1.66 per unit fully paid. These units rank for distribution from 1 January 2002.

Partly Paid Units on Issue					
Partly Paid Units of $50.20 each					
Partly Paid to $0.20 each					
Balance at beginning of the year	9,300,000	1.2	1.2	1.8	1.8
Conversion into Ordinary Units	(3,100,000)	(0.4)	–	(0.6)	–
Balance at end of the year	6,200,000	0.8	1.2	1.2	1.8

Special Options on Issue

	Number of Special Options	Number of fully paid WAT Units into which Special Options convert
Series F	52,500	55,072,500
Series G	694,445	160,478,114
Series G1	277,778	64,191,246
Series H	14,070,072	286,003,761
	15,094,795	565,475,621

NOTE 7
ISSUED CAPITAL CONTINUED

Partly Paid Units – $311.24 million

The Series A PPUs were converted into Ordinary Units on 29 June 2001. Subject to payment of the final instalment of $50.00 for each of the series, the Series B and Series C PPUs will convert into Ordinary Units in WAT on 28 June 2002 and 30 June 2003 respectively at a 5% discount to the market price for Ordinary Units at that time. The funds raised on conversion, totalling $466.86 million, have been underwritten by UBS Warburg Australia Limited and will be used by WAT, pursuant to an agreement dated 29 May 1998, to subscribe for additional Common Shares in WEA. At a meeting of WAT on 29 June 2001, Members approved amendments to this agreement including the method of calculating the issue price of Common Shares in WEA. (See Related Party Note 15).

At any time up to two days prior to the due date for the final instalment on a series of PPUs, Westfield America Management Limited, the Responsible Entity, has the right to redeem that series by the payment of $2.64 per PPU or by the issue of Ordinary Units to the value of $2.64.

The PPUs have no distribution entitlement to the income of WAT. The Ordinary Units into which they convert following payment of the final instalment will rank for distribution from 1 July following each respective conversion date.

Prior to the payment of the final instalment, the PPUs have no voting entitlement at meetings of Members in WAT except where the Corporations Act 2001 (Cwlth) or the Listing Rules requires that PPUs carry an entitlement to vote.

The PPUs are quoted as stapled securities, with each stapled security consisting of one Series B and one Series C PPU. At 30 June 2001, there were 6,200,000 PPUs representing 3,100,000 stapled securities on issue which would have been convertible to 176,140,351 WAT $1.00 Ordinary Units as at 31 December 2001.

Special Options

Each Series F Special Option entitles the holder the right to subscribe for 1,049 fully paid $1.00 Ordinary Units in WAT in exchange for either US$1,000.00 ($1,958.48) or 1 Series F Preferred Share in WEA. The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. At 31 December 2001, there were 52,500 Series F Special Options on issue which are convertible to 55,072,500 Ordinary Units in WAT.

In conjunction with the completion of the tender offer, the following Special Options were issued:

During the year 694,445 Series G Special Options were issued to Security Capital Preferred Growth, Inc. and 277,778 Series G1 Special Options were issued to Westfield American Investments Pty. Ltd. ("WAIPL") for a cash consideration of US$427,449 and US$171,051, respectively. The Series G and G1 Special Options are exercisable any time after September 2003 (or such earlier date if certain specified events occur) and expire on the date being 10 days prior to the date of termination of the Trust. At 31 December 2001, there were 972,223 Series G and G1 Special Options on issue which are convertible to 224,669,360 Ordinary Units in WAT.

During the year 11,805,862 Series H Special Options were issued to WAIPL and 2,264,210 Series H Special Options were issued to Westfield Corporation, Inc. for a cash consideration of US$83,908 and US$16,092, respectively. The Series H Special Options are exercisable any time after September 2003 (or such earlier date if certain specified events occur) and expire on the date being 10 days prior to the date of termination of the Trust. At 31 December 2001, there were 14,070,072 Series H Special Options on issue which are convertible to 286,003,761 Ordinary Units in WAT.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2001

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 8 RESERVES				
Asset Revaluation Reserve	305.9	139.9	1,192.7	668.2
Option Premium Reserve	5.4	4.7	9.6	8.1
	311.3	144.6	1,202.3	676.3
Movements In Reserves				
Asset Revaluation Reserve				
Balance at beginning of the year	139.9	55.3	668.2	261.2
Revaluation of investment in Westfield America, Inc.	188.2	99.3	563.5	431.8
Amounts transferred to Distributable Income during the year *	(22.2)	(14.7)	(39.0)	(24.8)
Balance at end of the year	305.9	139.9	1,192.7	668.2
Option Premium Reserve				
Balance at beginning of the year	4.7	2.1	8.1	2.7
Premium on issue of 52,500 Series F Special Options – net of costs	–	4.7	–	8.1
Cancellation of 270,000 Series B Special Options	–	(2.1)	–	(2.7)
Premium on issue of 972,223 Series G and G1 Special Options – net of costs	0.6	–	1.3	–
Premium on issue of 14,070,072 Series H Special Options – net of costs	0.1	–	0.2	–
Balance at end of the year	5.4	4.7	9.6	8.1

** In accordance with the provisions of the Constitution, dated 28 March 1996 as amended, the Responsible Entity, Westfield America Management Limited, has determined that $39.0 million (US$22.2 million) be transferred from the Asset Revaluation Reserve to Distributable Income for the year ended 31 December 2001.*

Accordingly, Distributable Income (which is equal to Net Accounting Income) of the Trust for the year ended 31 December 2001 is $212.4 million (US$128.4 million).

NOTE 9 RETAINED EARNINGS				
Retained Earnings at beginning of the year	0.0	0.0	0.0	0.0
Net profit/(loss) attributable to Members of the Parent Entity	106.2	75.6	173.4	117.0
Transfer from Asset Revaluation Reserve	22.2	14.7	39.0	24.8
Distribution paid/payable	(128.4)	(90.3)	(212.4)	(141.8)
Retained Earnings at end of the year	0.0	0.0	0.0	0.0

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2001

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 10 TOTAL EQUITY INTERESTS				
Total equity interests at beginning of the year	1,121.2	895.5	2,020.8	1,370.4
Total changes in equity recognised in the Statement of Financial Performance	295.1	177.5	738.4	554.2
Transactions with owners as owners				
Contribution of equity (refer Note 7)	524.1	138.5	1,002.0	238.0
Distribution paid/payable	(128.4)	(90.3)	(212.4)	(141.8)
Total equity interests at end of the year	1,812.0	1,121.2	3,548.8	2,020.8

NOTE 11
AUDITORS' REMUNERATION

Amounts paid or due and payable to:				
Auditors of the Parent Entity:				
– for audit services	0.100	0.071	0.192	0.119
– for other services	0.023	0.001	0.045	0.002
	0.123	0.072	0.237	0.121

In addition to the above, fees amounting to US$ 0.158 million ($0.306 million) were paid or were payable by the Group during the financial year to the Auditors and affiliates of the Auditors (Ernst & Young) of the Parent Entity for professional services in connection with the WEA tender offer and merger.

NOTE 12
NET ASSET BACKING PER UNIT

	31 Dec 2001 A$	31 Dec 2000 A$
Net Asset Backing per Unit	1.92	1.71

Net asset backing per unit is calculated by dividing Total Equity Interests by the number of Ordinary Units on issue at the end of the financial year.

NOTE 13
DERIVATIVE FINANCIAL INSTRUMENTS

Exchange rates

	Weighted Average Forward Exchange Rate	To pay US$ Million	To receive A$ Million
Forward Exchange Contracts extant at 31 December 2001 in respect of the period ending 31 December:			
2001	0.5924	44.9	75.8
2002	0.5912	156.5	264.7
2003	0.5885	154.9	263.2
2004	0.5820	134.5	231.1
2005	0.5168	110.6	214.0
2006	0.4947	70.7	142.9

The Parent Entity has entered into currency hedges in respect of a proportion of its US$ dividends and distributions receivable from its controlled entities. These hedges are not recognised on the financial statements until the underlying transactions are recorded.

The average forward exchange rate at 31 December 2001 for contracts with similar maturity profiles was A$1.00 = US$0.4992 (A$1.00 = US$0.5567 at 31 December 2000).

Credit Risk

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of financial institutions. The Parent Entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. Credit risks in relation to unrecognised financial assets arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 31 December 2001 the Parent Entity's total credit risk exposure in respect thereof was A$ nil million (US$ nil million) (A$ nil (US$ nil) at 31 December 2000).

NOTE 14
NEW ACQUISITIONS

In December 2001, the Trust announced a transaction under which WEA, through a wholly owned subsidiary of Westfield America Limited Partnership, agreed to acquire nine regional shopping centres in the US from Richard E. Jacobs Group for US$756 million (A$1.46 billion). The transaction is expected to settle in the first quarter of 2002. The acquisition will be funded by: approximately US$40 million (A$76 million) in cash, the issuance of approximately US$210 million (A$400 million) of equity to the Richard E. Jacobs Group and the assumption of approximately US$506 million (A$980 million) of non-recourse mortgage debt. The cash consideration will be funded from the equity placement of A$275 million made in December 2001.

In January 2002 the Trust announced a transaction under which WEA, through a wholly owned subsidiary of Westfield America Limited Partnership, joined with Simon Property Group L.P. and The Rouse Company to acquire the assets and assume the liabilities of Rodamco North America N.V. (RNA). The assets to be acquired by the Trust, representing 14 shopping centres, are valued at approximately A$4.5 billion, (including the assumption of A$2.5 billion of debt). The transaction is expected to settle in the second quarter of 2002.

The acquisition and additional working capital will be funded through capital raisings totalling A$2.4 billion comprising:

- A$1.15 billion from an underwritten institutional placement of ordinary WAT units;
- A$200 million from a placement of ordinary WAT units with leading Dutch pension fund, Stichting Pensioenfonds ABP;
- A$900 million from Westfield Holdings Limited via a subscription for ordinary WAT units and common stock of WEA; and
- approximately A$150 million of ordinary WAT units from a retail offering which includes a priority offering to existing Members on a 1 for 4 basis at $1.61 by way of a prospectus. (Persons wishing to acquire units will need to complete the application form that will accompany the prospectus).

The above A$1.15 billion underwritten institutional placement of units was approved by Members of the Trust at a meeting held on the 22 February 2002. The balance of the funding is to be put to unit holders for approval at a further meeting of Members of the Trust to be held within the next two months.

NOTE 15
RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial period are set out below unless already disclosed elsewhere in these Financial Statements. The transactions referred to in (i) to (iv) below were outlined in the notices of the meetings of WAT held on 27 March 2001 and 29 June 2001.

(i) Acquisition of publicly held common shares in Westfield America, Inc.

On 15 February 2001, the Responsible Entity and WEA entered into an agreement and plan of merger ("Merger Agreement") relating to the acquisition by the Responsible Entity of all the outstanding Common Shares in WEA (excluding Common Shares owned by two subsidiaries of Westfield Holdings Limited ("WHL Group")) and the Trust for US$16.25 cash per Common Share ("Offer").

Pursuant to terms of the Merger Agreement, a meeting of the common shareholders of WEA, held on 28 September 2001, approved the implementation of a merger of WEA with a new subsidiary of WAT ("Merger"), with WEA as the surviving corporation.

The Merger became effective on 1 October 2001. In the Merger, all outstanding Common Shares of WEA (other than those owned by the WHL Group and the Trust) were cancelled and converted automatically to the right to receive US$16.25 per share in cash.

(ii) Co-operation Agreement

On 15 February 2001, the Responsible Entity and Westfield Holdings Limited ("WHL") entered into an agreement ("Co-operation Agreement") pursuant to which WHL agreed that it would prevent its subsidiaries that held shares in WEA from participating in the Offer (Westfield American Investments Pty Limited ("WAIPL") and Westfield Corporation, Inc. ("WCI")). WHL also agreed to cause its subsidiaries to vote any units in WAT held by them in favour of the resolutions that were put to meetings of the Members of WAT for the purpose of seeking approvals required in connection with the Offer, the Merger and associated transactions.

WAIPL holds 277,778 Series D Preferred Shares and 11,805,862 Common Shares in WEA. WCI holds 2,264,210 Common Shares in WEA.

Amendment to Series D Preferred Shares

Following the Merger and in accordance with the Co-operation Agreement, the Responsible Entity caused WEA to amend the terms of the Series D Preferred Shares held by WAIPL ("WAIPL Preferred Shares") such that:

(a) The holders of the WAIPL Preferred Shares are entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at 3% per annum thereafter (as compared to the current fixed dividend rate of 8.5% per annum on the Series D Preferred Shares) and (ii) the U.S. dollar equivalent of the distribution on the number of ordinary units in WAT into which the WAIPL Preferred Shares are then exchangeable.

(b) Each WAIPL Preferred Share is convertible into 10 Common Shares of WEA. On conversion, the holders of Common Shares will be entitled to the same rights as the holders of the common stock of WEA.

(c) Dividends in WEA are payable quarterly. If WEA's or WAT's earnings (before interest and tax) falls below 140% of consolidated fixed charges for any applicable quarter ("Fixed Charge Coverage Violation"), the holder of a WAIPL Preferred Share will, for the period being twice the number of quarters to which the Fixed Charge Coverage Violation relates, be entitled to receive a dividend equal to 150% of the dividend that would normally have been payable in respect of the quarter in which the Fixed Charge Coverage Violation occurred.

On 31 August 2002, WAIPL has the right to require WEA to redeem a number of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof, for cash up to US$10,004,000 ("Cash-Out Right").

Commencing in 2004 and each year thereafter, WAIPL will have the right to require WEA to redeem up to US$10,004,000 of WAIPL Preferred Shares or Common Shares into which a WAIPL Preferred Share converts, or a combination thereof (less, in the case of 2004, the amount with respect to which a Cash-Out Right had been exercised) (each, a "Put Right"). If WAIPL exercises a Put Right, WEA may elect to redeem the shares subject to that Put Right for cash or such number of units in WAT, the sale of which is sufficient to raise net proceeds for WAIPL equal to the liquidation preference of the WAIPL Preferred Shares and/or the WAIPL Preferred Shares that have been converted into Common Shares, whichever are subject to the Put Right.

The maximum aggregate amount which may be redeemed pursuant to the exercise of the Cash-Out Right and the Put Rights is US$50,000,040.

NOTE 15
RELATED PARTY TRANSACTIONS CONTINUED

Series G1 and Series H Special Options in the Trust

Following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, WEA, in consideration of the payment of US$171,051, received 277,778 Series G1 Special Options in WAT which were transferred to WAIPL. A total of 14,070,072 Series H Special Options in WAT were issued, of which 11,805,862 were issued to WAIPL and 2,264,210 to WCI. In consideration of the issue of the Series H Special Options, WAIPL paid US$83,908 and WCI US$16,092 to WAT.

A Series G1 Special Option may be exercised at any time after September 2003 or on such earlier date if certain specified events occur. A Series G1 Special Option may be exercised by the holder delivering to the Responsible Entity a WAIPL Preferred Share or the number of WEA Common shares into which a WAIPL Preferred Share has been converted.

If a Series G1 Special Option is exercised, 231.0883 Ordinary Units in WAT will be issued to the holder of the Series G1 Special Option. The ratio will be appropriately adjusted where, instead of delivering a WAIPL Preferred Share, the holder delivers the number of WEA Common Shares into which the same have been converted.

A Series H Special Option may be exercised by the holder delivering to the Responsible Entity a WEA Common Share. If a Series H Special Option is exercised, 20.3271 Ordinary Units in WAT will be issued to the holder of the Series H Special Option.

A holder of a Series G1 or Series H Special Option may not sell a Special Option unless it first notifies the Responsible Entity of its intention to do so and allows the Responsible Entity five business days to make an offer for the purchase thereof. If the holder of a Series G1 or Series H Special Option rejects the offer made by the Responsible Entity, for a period of 90 days after such five business day period has elapsed, it may not sell the Special Option (other than pursuant to an underwritten public offering) at a price less than 90% of the price offered by the Responsible Entity.

Each Series G1 and Series H Special Option is transferable but must be exercised (i) as part of the parcel entitling the holder to the issue of units which have a value greater than the amount which would require a disclosure document to be given to the holder in accordance with section 708(8) of the Corporations Act 2001 (Cwlth); and (ii) where applicable, pursuant to a US Securities Act exemption.

Units issued in WAT as a consequence of the exercise of the Series G1 or Series H Special Options will (i) rank for distributions of income in WAT from the date following the last day of the most recently completed dividend period for a WAIPL Preferred Share or common share transferred (as the case may be); and (ii) if allotted during an accrual period, participate in the distributable income of WAT in respect of that accrual period in the proportion that the part of the accrual period (calculated in days) for which the units rank for distribution bears to the total number of days in that accrual period. In all other respects the units to be allotted as a consequence of the exercise of the Series G1 or Series H Special Options will have the same rights as all other fully paid Ordinary Units on issue in WAT.

The Series G1 and Series H Special Options are not quoted on any stock exchange.

Series A and Series B Preferred Shares

WAT holds 940,000 Series A Preferred Shares ("Series A Preferred Shares") and 270,000 Series B Preferred Shares ("Series B Preferred Shares") in WEA. With respect to the Series A and Series B Preferred Shares, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001, the terms of the Series A Preferred Shares and Series B Preferred Shares were amended to provide that they will be convertible into Common Shares with terms substantially the same as those of the existing Common Shares of WEA. The Series A Preferred Shares and Series B Preferred Shares were subordinated to the WAIPL Preferred Shares.

Other Preferred Shares

WAT also holds 138,889 Series D-1 Preferred Shares and 477,778 Series E Preferred Shares in WEA. With respect to these preferred shares, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001 the terms of the Series D-1 Preferred Shares and Series E Preferred Shares have been amended to be substantially the same as Common Stock of WEA (known as "Junior Preferred Shares"). Also, following the Merger and in accordance with approval obtained from Members at a meeting of WAT held on 29 June 2001 416,667 Series D Preferred Shares in WEA previously held by WAT have been converted into Common Shares.

The Junior Preferred Shares do not have preferential rights with respect to dividends. Each Junior Preferred Share is entitled to dividends equivalent to the amount declared with respect to ten Common Shares of WEA. The Junior Preferred Shares do not have a liquidation preference. Upon liquidation, dissolution or winding up of WEA, the Junior Preferred Shares are entitled to receive that portion of the assets of WEA legally available for distribution, after payment of all debts, other liabilities and any liquidation preference of preferred shares and will vote with the common stock on all matters requiring the vote of the common stock and otherwise as required by law. The Junior Preferred Shares are not redeemable by WEA.

As approved by Members at the meeting held on 29 June 2001, the Responsible Entity agreed to reimburse a US based institutional investor, that also holds preferred shares in WEA, WAIPL and WCI for their reasonable internal and external costs and expenses incurred in connection with the Offer and Merger and to indemnify them for any losses or liabilities (including certain tax liabilities) arising out of those transactions.

The Responsible Entity has also guaranteed the obligations of and amounts owing by Westfield America Limited Partnership to that US based institutional investor under certain circumstances.

Non-compete arrangements

Under the Co-operation Agreement, the Responsible Entity and WHL have amended non-compete arrangements between the WHL Group and WEA. Prior to the amendments the arrangements provided that, for so long as WHL or any of its subsidiaries is the advisor to WEA or the manager of its shopping centres, the WHL Group may not acquire, directly or indirectly any ownership interest in shopping centres or power centres in the United States ("Competitive Business"), or any entity which has an ownership interest in a Competitive Business, except in a number of limited situations. In accordance with approval obtained from Members on 29 June 2001, the non-compete arrangements were modified so that if an opportunity to acquire a Competitive Business arises which would be subject to the existing restrictions, the WHL Group is obliged to present the opportunity to the Board of Directors of WEA. If for any reason a majority of the independent directors of the Board of Directors of WEA (or, if the Board of Directors of WEA does not have independent directors, a majority of the external directors of the Board of Directors of the Responsible Entity) elects not to pursue that opportunity, the WHL Group will be permitted to attempt to acquire the Competitive Business. However, the WHL Group will not be permitted under any circumstances to own a regional shopping centre which directly competes with any regional shopping centre then owned by WEA and which is in that shopping centre's primary market area, unless the competing centre is part of a portfolio of properties in which the WHL Group acquires an interest.

(iii) Development and advisory agreements

WCI and Westfield US Advisory L.P. ("Advisor") provide management, advisory and development services to WEA. Under the terms of the agreements governing the provision of those services, certain matters including the termination of the agreements were required to be approved by the Responsible Entity and 75% of the independent directors of WEA. To accommodate possible changes to the board of WEA and in accordance with the approval obtained from Members at a meeting held on 29 June 2001, the agreements have been amended to provide that where WEA does not have independent directors any determination previously required to be made by such directors must be made by the Responsible Entity and 75% of the external directors of the Responsible Entity.

(iv) Stock Subscription Agreement

At the meeting held on 29 June 2001, Members also approved an amendment to the stock subscription agreement dated 29 May 1998 between WEA and the Responsible Entity. Under that agreement, the issue price for the new Common Shares acquired by WAT is based on the market price for WEA Common Shares as traded on the New York Stock Exchange ("NYSE") less a discount of 5%. On 15 October 2001, WEA ceased to be listed on the NYSE. Accordingly, the method of calculating the issue price for the new Common Shares has been modified (as the benchmark set by the NYSE is no longer available).

On an ongoing basis further investments by WAT in WEA, including under the stock subscription agreement, may be made at a subscription price that is benchmarked to the price at which WAT's Ordinary Units are traded on the ASX and in accordance with a methodology to ensure that relativity is maintained between the number of units on issue (or taken to be issued) in WAT and the number of WEA Common Shares held (or taken to be held) by WAT.

NOTE 15
RELATED PARTY TRANSACTIONS CONTINUED

(v) Further acquisitions of Common Shares in Westfield America, Inc.

In December 2001, the Responsible Entity announced the proposed acquisition of nine shopping malls in the US from The Richard E. Jacobs Group. This transaction was funded by an institutional placement of ordinary units in the Trust for A$275 million and subsequent subscription by the Responsible Entity of common shares in WEA in accordance with the subscription agreement between the parties dated 6 December 2001 ("Subscription Agreement"). In accordance with the terms of the Subscription Agreement the responsible Entity acquired 7,947,994.03 common shares in WEA at US$17.86 per common share.

(vi) WEA Distribution Reinvestment Plan

In relation to the dividends payable on WEA shares held by the Responsible Entity for WEA's second quarter distribution period, the Responsible Entity decided to participate in WEA's distribution reinvestment plan ("DRP"). Under the DRP holders of common stock and preferred stock in WEA were allowed to apply distributions to purchase newly issued common shares in WEA at a discount to their fair market value, not exceeding 5%. On 29 October 2001, the Responsible Entity elected to participate in WEA's DRP. As a result, during the period to 31 December 2001, the Responsible Entity received 2,733,788.76 common shares in WEA at a weighted average cost of US$18.18 as its second and third quarter 2001 dividend for its common shares of WEA and its junior preferred shares of WEA. On 29 January 2002, the Responsible Entity provided notice that it would not participate in WEA's DRP in respect to WEA's fourth quarter 2001 dividend.

(vii) Other

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
Manager's Service Fee paid or due and payable to the Manager	–	–	–	–

WEA has engaged Westfield U.S. Advisory L.P. ("Advisor") to provide information, advice and assistance to WEA and to undertake certain duties and responsibilities on behalf of, and subject to, the supervision of WEA. The Advisor will be paid an annual Advisory Fee equal to the lesser of 0.55% of the net equity value of WEA or, 25% of the annual Funds From Operations before advisory fee (of US$215.265 million) of WEA in excess of a base amount of Funds From Operations (US$164.162 million for the year ended 31 December 2001) as adjusted from time to time to reflect new issues of Common Stock. The term "Funds From Operations" means net income / (loss) (computed in accordance with generally accepted accounting principles in the United States) ("GAAP") excluding gains (or losses) from debt restructuring and sales of property, plus real estate related depreciation and amortisation and after adjustments for consolidated partnerships and joint ventures.

Under the Constitution of WAT, the Responsible Entity is entitled to an annual fee of 0.55% of the net asset value of WAT. In addition, the Responsible Entity has agreed that this fee payable by WAT will be reduced by an amount equivalent to the proportion of the Advisory Fee paid by WEA to the Advisor which is attributable to WAT's ownership interest in WEA.

The Responsible Entity and the Advisor agreed at the time of the listing of WAT to forgo the entitlement to their Fees for the period from 28 March 1996, the inception of WAT, to 31 December 1997. In addition, the Responsible Entity has agreed to forgo its entitlement to the Service Fee being the amount in excess of the Trust's ownership interest proportion of the Advisory Fee paid by WEA to the Advisor, for the year ended 31 December 2001.

NOTE 16
FINANCIAL REPORTING BY SEGMENTS

The Parent Entity operates solely as a retail property investor in the United States.

	31 Dec 2001 US$ Million	31 Dec 2000 US$ Million	31 Dec 2001 A$ Million	31 Dec 2000 A$ Million
NOTE 17				
NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Components of cash assets				
Cash assets	0.3	0.7	0.6	1.3
	0.3	0.7	0.6	1.3
(b) Reconciliation of cash flows from operating activities to earnings after witholding tax				
Net cash in/(out) flows from operating activities	106.8	78.9	170.6	121.8
Borrowing costs expense	(4.1)	–	(8.0)	–
United States Withholding Tax expense	(9.6)	(7.0)	(14.5)	(10.9)
(Decrease)/increase in other net assets attributable to operating activities	13.1	3.7	25.3	6.1
Earnings After Withholding Tax	106.2	75.6	173.4	117.0
(c) Financing facilities				
Firmly committed financing facilities available to the Parent Entity are as follows:				
Total financing facilities #	51.1	55.5	100.0	100.0
Amounts utilised *	(8.7)	(26.3)	(17.0)	(47.5)
Available financing facilities #	42.4	29.2	83.0	52.5
Cash assets (Refer Note 17(a))	0.3	0.7	0.6	1.3
Total available financing facilities	42.7	29.9	83.6	53.8

 # Financing facilities comprise bank facilities for general corporate purposes.

Available financing facilities at 31 December 2001 comprise:

(i) an unsecured revolving credit facility of $30.0 million (US$15.3 million) (31 December 2000 $30.0 million (US$16.6 million)) with a bank. The facility is an interest only floating rate facility maturing in March 2002. At 31 December 2001, amounts available under this facility totalled $30.0 million (US$15.3 million) (31 December 2000 $30.0 million (US$16.6 million)).

(ii) an unsecured revolving credit facility of $70.0 million (US$35.7 million) reducing to $45.0 million (US$23.0 million) on 30 June 2002. (31 December 2000 $70.0 million (US$38.8 million)) with a bank. This facility is an amortising floating rate facility with an ultimate maturity date of 30 June 2003. At 31 December 2001, amounts available under this facility totalled $53.0 million (US$27.1 million) (31 December 2000 $22.5 million (US$12.5 million)).

** Amounts utilised have been translated at exchange rates ruling at balance date and do not include the effects of currency hedge contracts.*

DIRECTORS' DECLARATION

The Directors of Westfield America Management Limited, the responsible entity of Westfield America Trust (**"Trust"**), declare that:

(a) the financial statements for the year ended 31 December 2001 (**"Financial Statements"**) and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Trust;

(c) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

(d) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cwlth), including sections 296 and 297.

Made on 1 March 2002 in accordance with a resolution of the Board of Directors.

F P Lowy, AC
Chairman

S P Johns
Group Finance Director

INDEPENDENT AUDIT REPORT

To the unit holders of Westfield America Trust

Scope

We have audited the financial report of Westfield America Trust for the financial year ended 31 December 2001, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the financial statements and the Directors Declaration. The financial report includes the consolidated financial statements of Westfield America Trust, and the consolidated financial statements of the consolidated entity comprising Westfield America Trust and the entities it controlled at year's end or from time to time during the financial year. The responsible entity's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the Members of the registered scheme.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the registered scheme's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Westfield America Trust is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the registered scheme's and consolidated entity's financial position as at 31 December 2001 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements

Ernst & Young

B J Long
Partner
Sydney

Date: 1 March 2002

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust (**"Trust"**), submit the following Report for the year ended 31 December 2001.

Corporations Act 2001 (Cwlth) Section 299

(a) A review of the operations of the Trust during the financial year ended 31 December 2001 (**"Financial Year"**) and the results of those operations are set out in the Year in Review, at pages 6 to 13 (**"Review of Operations"**).

(b) There were no significant changes in the Trust's state of affairs during the Financial Year other than in connection with:

(i) the acquisition of all outstanding common shares in Westfield America, Inc. held by the public;

(ii) an agreement announced in April and completed in July for Westfield America to acquire a 99 year lease for the retail component of the World Trade Center in New York; and

(iii) an in-principle agreement being reached to acquire nine regional shopping centres from The Richard E Jacobs Group;

details of which are described in the Review of Operations at pages 6 to 11 and New Acquisitions at pages 12 to 13.

(c) The principal activities of the Trust during the Financial Year were the ownership and improvement of shopping centres in the United States, via its investment in Westfield America, Inc. There were no significant changes in the nature of those activities during the Financial Year.

(d) No other matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Trust's operation, the results of those operations, or the Trust's state of affairs, in future financial years, other than in connection with a transaction under which WEA; The Simon Property Group and The Rouse Company would acquire the assets and assume the liabilities of Rodamco North America N.V., details of which are described in the Review of Operations at pages 6 to 11 and New Acquisitions at pages 12 to 13.

(e) The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations, at pages 6 to 13.

Corporations Act 2001 (Cwlth) Section 300

(a) The following distributions were paid to Members during the Financial Year:

The distribution for the 6 months ended 31 December 2000, paid 28 February 2001 $73.5 million

This was paid to Members as follows:

- for ordinary units issued on 31 August 2000 under the Trust's Distribution Reinvestment Plan – 4.40 cents per unit
- for ordinary units issued on 31 August 2000 – 4.40 cents per unit
- for all other Ordinary Units – 6.63 cents per unit

The distribution for the 6 months ended 30 June 2001, paid 31 August 2001 $91.6 million

This was paid to Members as follows:

- for ordinary units issued on 28 February 2001 under the Trust's Distribution Reinvestment Plan – 4.55 cents per unit
- for ordinary units issued via a placement on 31 March 2001 – 3.39 cents per unit
- for all other ordinary units – 6.75 cents per unit
- for redeemable converting preference units issued on 9 April 2001 – $3.55 per unit
- for redeemable converting preference units issued on 4 May 2001 – $2.93 per unit.

(b) The following distributions were recommended or declared for payment to Members, but not paid, during the Financial Year:

The distribution for the 6 months ended 31 December 2001, paid 28 February 2002 $120.8 million

This was paid to Members as follows:

- for units issued on 31 August 2001 under the Trust's Distribution Reinvestment Plan – 4.81 cents per unit
- for all other ordinary units – 7.26 cents per unit
- for redeemable converting preference units – $4.46 per unit.

(c) The names of the Directors of Westfield America Management Limited and the relevant interests of each Director in the units in the Trust as at the date of this Report are shown below. There has been no change to the Board Membership during or since the end of the Financial Year.

Director	Number of Ordinary Units	Number of Installment Warrants over Ordinary Units	Number of Partly Paid Stapled Securities
F P Lowy, AC }			
D H Lowy }	67,572,059		Nil
P S Lowy }			
S M Lowy }			
R A Ferguson	Nil		Nil
D M Gonski	216,766	1,225,000	2,100
F G Hilmer, AO	Nil	600,000	Nil
S P Johns	281,425	1,100,000	400
D R Wills, AO	Nil		Nil
C M Zampatti, AM	Nil		Nil

(d) No options were granted over unissued units in the Trust during or since the end of the financial year to any of the Directors or officers of the Responsible Entity.

(e) Details of unissued units in the Trust which were under option as at the date on this Report are set out in Note 16 to the Financial Report on pages 33 to 34.

(f) No units were issued in the Trust during or since the end of the Financial Year as a result of the exercise of an option over unissued units in the Trust.

(g) No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to any person who is or has been an officer the Responsible Entity or auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporation Act 2001 (Cwlth), they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

(h) $71.0 million in fees were paid and payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

(i) 121 units in the Trust were held by the Responsible Entity as at the end of the Financial Year. Associates of the Responsible Entity held 340,572,974 ordinary units and 5,700 partly paid units in the Trust as at the end of the Financial Year.

(j) Details of Units issued in the Trust during the Financial Year are set out in Note 16 on pages 33 to 34.

(k) No withdrawals were made from the scheme during the Financial Year.

(l) Details of the value of Trust assets as at the end of the Financial Year and the basis for the valuation are set out in Note 6 on pages 26 to 28.

(m) Details of the number of Units in the Trust as at the end of the Financial Year are set out in Note 16 on pages 33 to 34.

(n) At the date of this Report the Trust had an Audit and Compliance Committee of the Board of Directors of the Responsible Entity.

This Report is made in accordance with a resolution of the Board of Directors on 1 March 2002

F P Lowy, AC
Chairman

S P Johns
Group Finance Director

CORPORATE GOVERNANCE STATEMENT

Westfield America Management Limited is the Responsible Entity of Westfield America Trust. Set out below is a statement of the main corporate governance practices which Westfield America Trust (**"Trust"**) had in place during the financial year ended 31 December 2001.

The Board of Directors of Westfield America Management Limited

The ultimate responsibility for corporate governance of the Responsible Entity resides with its Board of Directors which comprises ten directors, six of whom are Non-Executive Directors. The Chairman of the Board is F P Lowy, AC, and the Deputy Chairmen are F G Hilmer, AO and D H Lowy.

It is the policy of the Board that its Membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the Trust's core activities, and non-executive Members who have outstanding track records and reputations attained at the highest levels of industry and who are able to bring to the Board a broad range of general commercial expertise and experience.

The Membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of the Trust. The appointment of a new Member to the Board is only made after consultation with, and consensus being achieved among, the Non-Executive Directors.

Full Board meetings are held at regular intervals with about ten regular meetings being held during a financial year and additional meetings being held if necessary. Directors are provided with Board reports containing sufficient information to enable informed discussion of all agenda items in advance of Board meetings. Any Non-Executive Director may, if that Director deems it necessary, seek independent legal advice on any matter connected with the performance of their duties. In such cases, the Responsible Entity will reimburse the reasonable costs of such advice. Directors are asked to notify the Company Secretary in advance of seeking such advice.

The procedures for establishing and reviewing the compensation arrangements for the Responsible Entity are specified in the Constitution of the Trust .

The names of the Directors of the Responsible Entity in office at the date of this statement are set out on pages 16 and 17 of this report.

The Board has established an Audit and Compliance Committee and a Compliance Committee to assist it in discharging its responsibilities. These committees are described below.

Audit and Compliance Committee

The Audit and Compliance Committee comprises two Non-Executive Directors of the Responsible Entity, namely:

F G Hilmer, AO (Chairman)	Non-Executive Director
D M Gonski	Non-Executive Director

The primary function of the Audit and Compliance Committee is to ensure that an effective internal control framework exists through the establishment and maintenance of adequate internal controls to safeguard the assets of the Trust and to ensure the integrity and reliability of financial and management reporting systems.

The Audit and Compliance Committee:

- reviews and reports to the Board on the half-yearly and annual reports and Financial Statements of the Trust;
- is responsible for nominating the external auditor and reviewing the adequacy, scope and quality of the annual and half yearly statutory audits;
- reviews the effectiveness of the internal control environment, including the effectiveness of internal control procedures;
- monitors and reviews the reliability of financial reporting;
- monitors and reviews the compliance of the Responsible Entity with the Trust's Constitution and applicable laws and regulations;
- determines the scope of the internal audit function to ensure that its resources are adequate and effectively used, including the co-ordination of the internal and external audit functions;
- monitors the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Trust.

The Audit and Compliance Committee has accepted as a matter of principle that the Responsible Entity should have in place an adequate compliance and control framework based upon appropriate written procedures, policies and guidelines to enable the areas of legal risk to the Trust to be identified and appropriately reacted to and to ensure that Members of staff are informed as to those areas of material legal risk relevant to the operational activities in which they were engaged.

Compliance officers have been appointed for the Trust and are responsible for reviewing and monitoring the efficacy of compliance systems on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities, and to report to the Audit and Compliance Committee on the operation of compliance procedures.

The Audit and Compliance Committee meets with the external auditors at least twice a year and more frequently if required. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board.

The Audit and Compliance Committee reports to the full Board after each committee meeting.

Compliance Committee

Under the managed investment regime, the Responsible Entity is required to register a Compliance Plan with the Australian Securities & Investments Commission. The Compliance Plan outlines the measures which are to be applied by the Responsible Entity to ensure compliance with the Corporations Act 2001 (Cwlth) and the Trust's Constitution.

The Compliance Committee is responsible for monitoring Westfield's compliance with the Compliance Plan and report on its findings to the Board.

The Compliance Committee comprises two External Members and one Executive Director of the Responsible Entity, namely:

J B Studdy AM (Chairman)	External Member
M J Braham	External Member
S P Johns	

M J Braham was appointed to the Committee to replace G T Forster. M J Braham was appointed on 21 September 2001.

The Compliance Committee reports to the full Board after each compliance committee meeting and otherwise as required.

TWENTY LARGEST HOLDERS OF ORDINARY UNITS AS AT 14 FEBRUARY 2002

		Number of Ordinary Units	% of issued Ordinary Units
1	Westus Pty Limited	199,711,252	10.80
2	Westpac Custodian Nominees Limited	185,742,328	10.05
3	Chase Manhattan Nominees Limited	150,357,238	8.13
4	National Nominees Limited	110,557,943	5.98
5	Citicorp Nominees Pty Limited	90,226,126	4.88
6	Cordera Holdings Pty Limited	67,572,059	3.66
7	MLC Limited	61,892,684	3.35
8	Commonwealth Custodial Services Limited	59,687,177	3.23
9	Cogent Nominees Pty Limited	58,947,158	3.19
10	Westfield US Investments Pty Limited	55,475,347	3.00
11	Cogent Nominees Pty Limited	51,472,699	2.78
12	AMP Life Limited	50,459,818	2.73
13	RBC Global Services Australia Nominees Pty Limited	42,312,218	2.29
14	Queensland Investment Corporation	37,193,410	2.01
15	RBC Global Services Australia Nominees Pty Limited	28,871,298	1.56
16	Bond Street Custodians Limited	28,193,146	1.53
17	HSBC Custody Nominees	26,617,735	1.44
18	ING Life Limited	25,580,811	1.38
19	NRMA Nominees Pty Limited	19,110,424	1.03
20	Zurich Australia Limited	17,462,608	0.94
		1,367,443,479	73.96

DISTRIBUTION SCHEDULE OF ORDINARY UNITS AS AT 14 FEBRUARY 2002

	Number of Members
1–1,000	1,348
1,001–5,000	5,374
5,001–10,000	3,343
10,001–100,000	3,724
100,001 and over	251
Total number of holders of Ordinary Units	14,040

As at 14 February 2002, 274 Members held less than a marketable parcel of Ordinary Units.

VOTING ENTITLEMENT

Each Member on a show of hands, has one vote, and on a poll, has one vote for each dollar of the value of total interest the Member has in the Trust.

SUBSTANTIAL HOLDERS

The names of the Trust's substantial holders and the number of Ordinary Units in which each has a relevant interest as disclosed in substantial holder notices given to the Trust are as follows:

Westfield Holdings Group	263,536,671
National Australia Bank	150,096,982
Deutsche Australia Bank Limited	130,952,260
Commonwealth Bank	116,301,101

TWENTY LARGEST HOLDERS OF PARTLY PAID STAPLED SECURITIES AS AT 14 FEBRUARY 2002

		Number of Partly Paid Stapled Securities	% of issued Partly Paid Stapled Securities
1	National Nominees Limited	518,501	16.73
2	Brispot Nominees Pty Ltd	508,040	16.39
3	Citicorp Nominees Pty Limited	481,666	15.54
4	ANZ Nominees Limited	416,666	13.44
5	HSBC Custody Nominees	351,660	11.34
6	Queensland Investment Corporation	183,123	5.91
7	Westpac Custodian Nominees	167,686	5.41
8	WERESYD Proprietary Limited	116,482	3.76
9	Morgan Stanley Dean Witter Australia Securities (Nominee) Pty Limited	91,673	2.96
10	DBM Investments Pty Limited	72,272	2.33
11	Citicorp Nominees Pty Limited	34,840	1.12
12	ING Life Limited	23,589	0.76
13	Chase Manhattan Nominees Limited	15,154	0.49
14	SJA Pty Limited	12,545	0.40
15	Commonwealth Custodial Services Limited	6,582	0.21
16	Cogent Nominees Pty Limited	4,283	0.14
17	Colonial Investment Services Limited	4,000	0.13
18	Mr Justin Gordon Hay Campbell	3,215	0.10
19	HELAL Pty Limited	2,100	0.07
20	Julie Ann Macphee & Ian Malcolm Macphee	2,000	0.06
		3,016,077	97.29

DISTRIBUTION SCHEDULE OF PARTLY PAID STAPLED SECURITY HOLDERS AS AT 14 FEBRUARY 2002

	Number of Security Holders
1–1,000	773
1,001–5,000	11
5,001–10,000	1
10,001–100,000	6
100,001 and over	8
Total number of Partly Paid Stapled Security Holders	799

DISTRIBUTION SCHEDULE OF REDEEMABLE CONVERTIBLE PREFERENCE (RCP) UNIT HOLDERS AS AT 14 FEBRUARY 2002

	Number of RCP Units	Number of RCP Unit Holders
1–1,000	2,000	2
1,001–5,000	35,000	9
5,001–10,000	25,500	3
10,001–100,000	567,500	12
100,001 and over	370,000	2
	1,000,000	28

As at 14 February 2002, the Trust had 52,000 Series F, 694,445 Series G, 277,778 Series G1 and 14,070,072 Series H Special Options on issue. The Series F, G and G1 Special Options were each held by a single investor, the Series H were held by two investors, one with 11,805,862 and the other with 2,264,210 Special Options.

DIRECTORY

Westfield America Trust
ARSN 092 058 449
ABN 27 374 714 905

Responsible Entity
Westfield America Management Limited
ABN 66 072 780 619

Registered Office
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Directors of Westfield America Management Limited
Frank P Lowy, AC Chairman

Frederick G Hilmer, AO Deputy Chairman

David H Lowy Deputy Chairman

Robert A Ferguson

David M Gonski

Stephen P Johns

Peter S Lowy

Steven M Lowy

Dean R Wills, AO

Carla M Zampatti, AM

Compliance Committee
John B Studdy, AM Chairman

Michael J Braham

Stephen P Johns

Secretary
George T Forster

Director of Funds Management
Victor P Hoog Antink

Trust Manager
Daniel Rubinstein

Auditors
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Custodian
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Westfield

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